

## NEWS SUMMARY

ERAL

BUSINESS

## Grocery prices drop by 2.7%

# Arabs reconsider peace keeping role in Lebanon

BY IHSAN HIJAZI, BEIRUT JULY 25

**GROCERY PRICES** have fallen for the second month in a row. The FT Grocery Prices Index is down 6.11 points—or 2.7 per cent—to 218.71, the lowest level since February.

The drop in potato prices is the main reason for the fall in the index. Eggs have also been cheaper, but beef has been dearer. Page 21

**COST** of many items in Britain remain less than in other European countries, according to a CBI survey. Page 4

**PUBLIC CONFIDENCE** in the financial outlook has improved this month after falling last month, according to a survey carried out for the FT by the British Market Research Bureau. Page 21

**MR HAROLD LEWER** will attend talks in Brussels today on narrowing economic divergences among EEC countries. Back Page

## p bid foiled, opia claims

Hopian Government yesterday claimed that it had foiled parastatal-supported "coup" in Addis Ababa radio in London. The radio had been planned by Gen. Getachew Nadeew, Berhanu Haile and Lt. Marium Hassan. It added in Getachew, martial law strator of Eritrea was shot two weeks ago while resisting and that the two other were now also dead.

**AS enter** into disputed waters key's oil exploration ship entered disputed Sea waters there was tension last night as to r Greece, which has sealed off, while intervening. It was hoped that trouble could be avoided.

**fear move to** after terrorists to reduce the chances of stealing plutonium nuclear explosive, Britain took plutonium as a of plutonium and oxides in place of pure oxide stocks because metals are difficult to Page 4

**LEGAL BATTLE** over the plan to denationalise machine tool group Kearney and Trecker Marwin begins in the High Court to-day. Back page

**NORTH SEA** gas reserves could meet most of the feedstock requirements for new petrochemicals production in northern Europe. Back Page

**Road-rail clash** over policy

**ROAD AND RAIL** interests will clash this week in arguing their cases, in reply to the Government's recent transport consultative document. British Road Federation says that the railways received nearly £1bn aid from public funds last year, equivalent to a subsidy of £52 from every household. Page 4

**AIRLINE INDUSTRY** faces a new controversy over the U.S. Civil Aeronautics Board's decision to approve North Atlantic services by more US airlines—a move still subject to President Ford's approval and then to international negotiations. Page 4

**DOCK WORK BILL**, to increase the number of registered dockers and expand the definition of their work, is strongly criticised by the CBI and other employer bodies. Page 10

**PRIVATE PATIENTS** Plan the medical insurance agency organised by the Provident Association for Medical Care, had a record year last year with subscriptions exceeding £10m. It paid out £5.5m. in benefits. Page 4

**NATIONAL SAVINGS** had a setback last month, when the amount invested in the movement rose by only £32.5m.—the lowest since last December. Page 4

**COMPANIES**

**THOMAS BORTWICK** is coming to the market with its £12m. offer for sale. Page 14 and Lex

**GT ASIA (STERLING) FUND** prospectus is published today for the issue of up to £60,000 preference shares at £10. Page 14

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## A Chorus Line

... bally-hoo was justified. In two and a-quarter hours uninterrupted performance, a truly original musical that's itself seriously and manfully entertain while doing so. It's attending an audition at 27 dancers are competing for eight jobs. Very quickly, number is reduced by about and the rest of the show to a final decision by the choreographer and his assistant, the way the dancers are in details of their ages, their backgrounds and local histories.

The boss have the right people on show is technically fed but by breaking them in a process of rehearsal, he arrives at a choice's "four and four." At last phrase gives just an of the technical fascination Chorus Line. Recent theatre is full of shows that have special allure in treating allied activities like putting a star; the girl who is married to one of the boys speaks quickly and nervously, you fear for her stability — in addition she cannot sing; and, brilliantly played by Mitz Hamilton, the dumb ingenue who wanted to be Doris Day rather than Ann Miller and reckons this period in her life to be transitional before displacing Jill St. John in Hollywood — she has gone, a whole physical hog, tightening up her backside and stuffing her bosom with silicon. The career has not, she feels, suffered, nor has the sex life.

Andy Warhol said that soon, everyone will be famous for five minutes. The show adopts as a moral philosophy the idea that no one's a star, everyone's a star. The big number from the show to be rehearsed is One, a structured song of familiar Broadway banality in which the no ones cast adoring approval and unctuous acclaim someone who, of course, never appears. The chosen eight should logically be alone on stage at the end. But the show refused to follow its own discriminatory logic and, by way of a skillfully engineered and irresistible finale, the whole team comes, one by one, on to the blaring screens in glittering white showbiz apparel to take a bow and form a drilled ensemble that celebrates anistic the rest of the show seems to deplore. It is a subtle and powerful exercise in ambiguity that clinches the entire evening.

A Chorus Line started in a small off-Broadway theatre and gathers an extra dimension by being played at this huge address. The sound of the band, under the expert direction of Ray Cook, is very well amplified and the entire production conceived, choreographed and directed by Michael Bennett, rings a poignant death knell for "the musical" as well as existing in its own right as a triumphant rebirth of the ill. The critics and public told her that, While the rest

MICHAEL COVENY

er's Wells Theatre

## The School for Fathers

Ferrari, whose centenary has not been much re-l in this country, was a er, as his name implies, a national. Though he was in and died in Venice sed more than one of his on Goldoni comedies set city, his most popular i quattro ratsoppi was in Milan as *Die vierter*. We know it from all-remembered Sadler's production of 1946, as *The for Fathers*. Dent's transmogrified that occasion again at Thursday's in the same theatre by Don Ovens Centre. James on once again conduct-

as a pleasure to come such a charming expert night it may be in cond texture, but many voices with masses more and noise have said. The four ratsoppi are gendly Venetian hums who rule or attempt to eir household with the severity doomed to be by guile and young to three wives (one of boys is a widow) out-rope that the daughter household should marry n of another without eyes on him first. A (with the boy in drag) is contrived, they antly in love, and eventual fury of the respective is calmed.

opera was written not for Falstaff, whose embers through Wolf-Ferrari's not in the actual music's too clever to make the of imitation) but in the

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RONALD CRICHTON



Trudelise Schmidt (Dorabella), Knut Skram (Guglielmo), Lillian Watson (Despina), Frantz Petri (Don Alfonso), Bozena Betley (Fiorilli) and David Kuebler (Ferrando)

Glyndebourne

## Così fan tutte

by MAX LOPPERT

*Così fan tutte* was revived on Thursday, in a performance of uneven quality. Dramatically it suffers the heavy burden of Luzzati's horridly dinky sets, a tribute to the Case Pupo Reject Shop (dare one hope that moth-eaten-looking edges and a general air of tattiness imply superficially helpful, the slightly "hooded," sometimes stinging, always uniquely personal tone colour and quick flexibility are not dissimilar — that under its spell of fascination one may, if first overlook her other qualities. These include an ability to employ wide eyes, a nervous mouth and liquid bloodiness simply without fuss or decorative artlessness; and a gift of conveying, by means of physical stillness, the emotional richness and capacity for development by which Fiorilli is distinguished from the other characters. "Per pietà" was marvellous: delicate in shading, deft and accurate in grasp of the notes (Miss Betley's mastery of grappetti, runs and ornaments is uncommonly easy), very serious. Whenever she took the stage, the mysterious Così tones of beauty and emotional complexity was near to finding expression.

But she could not sustain that vein of expression alone, and the others in the cast have not been encouraged to discover it. Ferrando is David Kuebler, a young American tenor of pleasingly open mien and tone so bright and piercing as almost to sound "cantorial." "Un aura amara" was tight; and though after the dinner interval both he and the earlier tammy-voiced Dorabella (Trudelise Schmidt) were singing more fluently, their music was delivered with good

emerged a portrayal of remarkable depth and quiet, searching passion. The actual quality of Miss Betley's voice is so striking — a colleague has compared it to "Callas", and though the comparison is no more than superficially helpful, the slightly "hooded," sometimes stinging, always uniquely personal tone colour and quick flexibility are not dissimilar — that under its spell of fascination one may, if first overlook her other qualities. These include an ability to employ wide eyes, a nervous mouth and liquid bloodiness simply without fuss or decorative artlessness; and a gift of conveying, by means of physical stillness, the emotional richness and capacity for development by which Fiorilli is distinguished from the other characters. "Per pietà" was marvellous: delicate in shading, deft and accurate in grasp of the notes (Miss Betley's mastery of grappetti, runs and ornaments is uncommonly easy), very serious. Whenever she took the stage, the mysterious Così tones of beauty and emotional complexity was near to finding expression.

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Covent Garden

## Embattled Garden

by CLEMENT CRISP

Some of Martha Graham's finest works look like fragments from ancient, half-remembered rituals. They can have the hieratic force we associate with ourselves, *Lilith* and *The Stranger*. It is probably more a matter of the development in Graham's training, in today's breed of Modern Dancer. I recall the earlier interpreters having a more inevitable pulse of movement — as they wrote calligraphy of the dances we sensed the ink thick on the brush. To-day the strokes are lighter, quicker. *Embattled Garden* remains a grand piece — nevertheless: the ingredients are massed in a square — antiphonal effect comes more from the simultaneous use of different words than from the notes. The central panel, a restrained vocal panel, owes something to Britten and more (possibly accidentally) to Orff's *Catalist*.

Elizabeth Maconchy's settings for voices and brass of two Hopkins poems, *Pied Beauty* and *Harrow-downs*, were a festival commission involving their first performance, Richard Seal con-

ducted. Not everyone would have thought of brass instruments as a means of reflecting Hopkins' prismatic verbal colouring. The result is typical of this composer's lyricism and quiet independence in a traditional framework. The second poem is set with special emphasis on the syllable "a" in the essential word "dappled," which interferes with the sense.

## Salisbury Cathedral

## S. S. Wesley

by RONALD CRICHTON

Salisbury this year was host to the Southern Cathedrals Festival, which annually unites the choirs of Chichester, Salisbury and Winchester Anglican cathedrals are not idle buildings, though they may be thought to be so by those who seldom enter them. But they can rarely be such centres of activity as Salisbury on Saturday, milling with visitors from home and abroad, moving round while choral and orchestral rehearsals continued for the evening concert, the size and serenity of the church holding competing noise and possible confusion at a reasonable level. It was the kind of day — fine, with a procession of clouds to vary the soft light without and within, on which the Cathedral looks most harmonious and subtle.

In one corner of the Cloisters a fleet of buses was discharging young people from a town in central Germany. If some of them found their way to the evening concert given by the choirs and the Steinbach Bach Players under the respective organist-chormasters (John Birch, Richard Seal, Martin Nerry), the musicians once have been tempted to be as many for Saturday's Evensong. This year is the centenary of the death of Samuel Sebastian Wesley, the chief light of Early Victorian church music, as his more famous and versatile father Samuel had been of the preceding period — they were nephew and great-nephew of the preacher, John Wesley.

S. S. Wesley, in Ernest Walker's words, was "the streak of genuine individuality made one marvel anew at the self-taught professionalism that enabled Elgar at Worcester (nearly 20 when Wesley died at neighbouring Gloucester) to hearing church music he can be no more than a name, if that escape from amiable but crippled provincialism.

## Festival Hall

## Mazowsze

All folk dance companies are a form of *déjà vu* phenomenon. The more there are, the more alike they are, and the more I am convinced I have seen it all before. There are certain slight variations: the Georgian men dance on point; the Hungarians wear sequinned bows; the Yugoslavs offered *The Silent Glimmer*. But in most other respects the ingredients are massively the same: boots and bows and embroidery, quaint wedding rituals and the broadest of grins. This is not to deny the efficiency and innocent charm of it all, and especially of the Polish State Song and Dance company *Mazowsze*, which is at the Festival Hall until mid-August. The programme is as slick and ingratiating as one could wish, and for devotees of folk-dance there is everything to recommend. The Poles are magnificent

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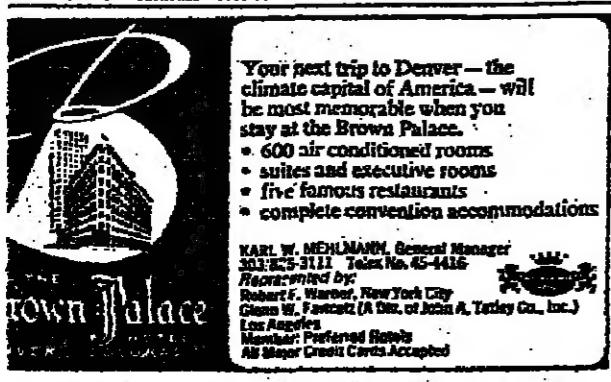
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Lalo Schifrin to score 'The Eagle Has Landed'

Composer Lalo Schifrin has been signed to write the music for *The Eagle Has Landed*, an adventure film, based on Jack Higgins' best-selling novel about a German wartime plot to kidnap Churchill.

Schifrin is a veteran of more than 50 film scores which have brought him two Oscar nominations.

Arts Council post

Lord Donaldson, Minister for the Arts, has appointed Mr. John Manduell to the Arts Council in place of Lord Feather, who has resigned.

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Jillnotis

# NEWSLETTER

from  
**London & Continental Bankers Ltd. and its Shareholders**

*France's Top Credit Institution*

## Crédit Agricole with 9,000 Offices throughout France

July 1976 (CBGMBF).  
 Société Nationale de Crédit  
 Agricole, a founder member  
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 Bankers Ltd., is the head  
 of a cooperative group consisting of  
 self-sufficient regional  
 groups, known as "Crédit  
 Agricole", ranks among the  
 d's largest financial

organizations and is France's leading credit institution. Its agricultural background gives it an inherent strength as a base for its international development. The group maintains more than 8,400 million accounts spread throughout France.

The group is decentralized in the interest of flexibility and

in recognition of the progressive community spirit on which its proud history in local banking is based. It is, at the same time, tightly knit with CNCA ensuring effective pooling of group resources and controlling numerous subsidiaries which provide all necessary complementary services.

Crédit Agricole actively supports regional development, provides finance for agricul-

ture, industry and commerce, mostly in rural areas. It also offers full retail banking services with special emphasis on the furthering of savings. The bank is authorized to issue its own long-term securities and is at the same time a competent partner in international finance.

Milk farming is big business in Finland



Milk farming is big business in Finland

*One of Holland's Major Financial Institutions*

## Centrale Rabobank accounts for more than 40% of Dutch Banking Deposits

Amsterdam, July 1976 (CBGMBF). — With more than 9 million savings and current accounts, Centrale Rabobank ranks among the three financial institutions in Holland. Nearly every second Dutch banking customer is a Rabobank's comprehensive financial services. The cooperative banking system, of which it is the central institution, consists of 40 member banks with more than 3,100 branches. We serve an important part of the agricultural industry in the Netherlands and provide a comprehensive range of retail banking services throughout the country, especially to small and medium-sized enterprises.

Centrale Rabobank has interests in insurance and leasing and is rapidly expanding activities in the field of national finance, export-import financing and foreign exchange. The area of underwriting bank provides advice and useful to prospective clients, in the Netherlands and abroad, on the size, listing and timing of domestic as well as Eurobond issues. It acts as lead-manager, co-ordinator and/or underwriter on bonds raised both in the EEC and Eurocurrency markets.

Eurocurrency markets again expanded during past year but with shorter maturities than in theious period of expansion. Role of Centrale Rabobank as one of the managers or underwriters of locally internationally syndicated loans to public and private sector borrowers in various countries continued to rise steadily and the bank engaged in the issue of several types of securities, in-

cluding straight bonds, notes and convertible bonds.

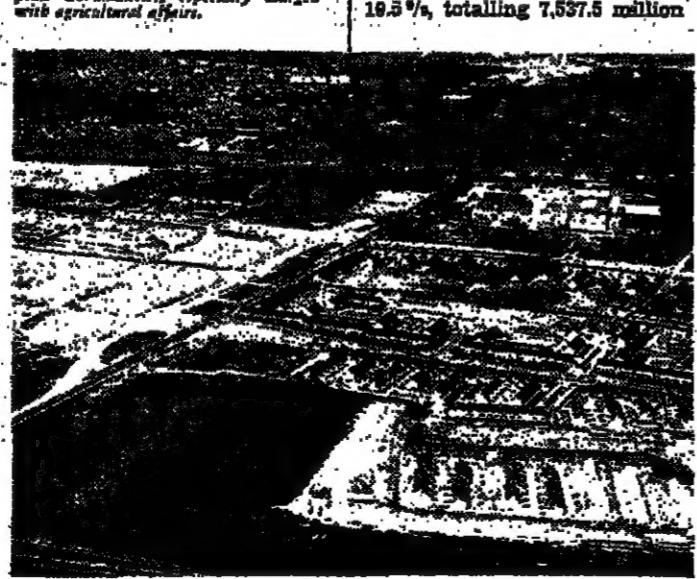
Centrale Rabobank participated both on a best-efforts basis and on a firm basis whereby the bank firmly undertakes to place fully a part of the issue. However, in the light of the increased risks for the banking system and the bank's policy of gradual expansion in this field, firm syndications are agreed upon only for the highest quality of borrowers.

The bank endeavours to expand its range both geographically and in terms of the diversity of services provided and it expects that further underwriting operations will be undertaken during the coming year.

In project financing two major undertakings deserve special mention: The house-building project at Maarsseveen and the auction halls in South-Holland.

In 1975, Centrale Rabobank enlarged its interest in the real estate sector by providing advance financing for a sizeable house-building project at Maarsseveen. The entire project will be completed around 1987 and comprises 8,000 to 10,000 dwellings in all, as well as 20,000 and 17,000 sq. metres for shops and industrial enterprises, respectively. 1,350 dwellings have already been completed during the first stage and another 2,500 planned for the second stage are now under construction.

Also in 1975 six fruit and vegetable auction societies merged in the provinces of South-Holland to create a new system of auction halls with a trade centre at Barendrecht. The entire area covers 36 hectares, of which approximately 11 hectares are taken up by buildings.



Large housebuilding project at Maarsseveen, Holland

## OKO — Finland's Third Largest Commercial Bank

Helsinki, July 1976 (CBGMBF). — Osuuspankki Keskkuntaki Oy (abbr. OKO) is the central bank of the cooperative bank organization covering the whole of Finland. The number of cooperative banks throughout Finland totalled 384 at the end of 1975 and these had 811 regional and branch offices bringing the total number of cooperative bank offices to 1,185.

More than a fifth of public deposits were put in cooperative banks. The number of different types of deposit and current accounts held in cooperative banks was 3,052,149 on December 31st, 1975. The number of credits granted by cooperative banks was 744,331 at the end of 1975. The membership of the cooperative banks at the end of 1975 was about 276,100. Thus Osuuspankki Keskkuntaki Oy as the central bank of such a large organization plays an important part in channelling the flow of funds.

Increase in deposits from the public 20.6% in 1975

Total deposits by the public in cooperative banks amounted to 8,072 million Finmarks at the end of 1975, an increase of 1,376.4 million Finmarks or 20.6%, over the previous year. Time deposits increased by 1,228.8 million Finmarks, 19.5%, totalling 7,857.5 million.

Finmarks at the end of the year. Current account deposits totalled 534.8 million Finmarks, a 38.5% growth compared with the previous year.

Increase in advances to the public 20.4% in 1975

The sum of credits granted by cooperative banks to the public (including loans arranged from government funds) amounted to 1,341.6 million Finmarks, 26.4% against 1974. The major groups are individuals and the agricultural and forestry sector. Both these groups account for about one third of the total lending of the cooperative banks.

\* Cooperative bank organization's share 20.4% of the total deposits by the public in all financial institutions

During the last decade the annual deposits by the public increased faster in the cooperative bank organization than in all financial institutions in general. Thanks to this OKO's share in total deposits accepted from the public by all financial institutions increased from 18.5% in 1965 to 20.4% in 1975. The market share of the cooperative bank organization in time deposits by the public in all financial institutions was 23.6% at the end of the year.

OKO's balance sheet as at December 31st, 1975 totals 3,200 million Finmarks.

Osuuspankki Keskkuntaki Oy (OKO) is the third largest commercial bank in Finland. At the end of 1975, the balance sheet total of OKO was 3,172.8 million Finmarks. In 1975, deposits accepted by OKO from the public grew by 35.4 million Finmarks totalling 143.9 million Finmarks at the end of the year. The so-called liquidity reserve of the cooperative banks in OKO increased by 216.3 million Finmarks. Cooperative banks' other deposits and current accounts in OKO increased by 48.0 million Finmarks. Total of cooperative bank deposits in OKO amounted to 1,738 million Finmarks. At the end of 1975, the total of credits granted by OKO and the share and bond investments made by it was 431.8 million Finmarks more than the year

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### Shareholders at a Glance

Name	Balance Sheet Total*)	Number of Offices	Share in LCB %
Deutsche Genossenschaftsbank Immobilien 3,600 Frankfurt/Main Germany — Tel.: 15631	£ 39,751,318,764 as of Dec. 31, 1975	19,500	50.34
LCB Director: Dr. F. Viehoff, H. Giehrdt, Dr. K.-H. Schneider-Gadick, F. Strunk			
Andelsbanken A/S Danebank International Division 31, rue de la Paix, 75001 Paris, France Denmark, Tel.: 14 33 82	£ 735,188,000 as of Dec. 31, 1975	287	5.02
LCB Director: M. Tønning Johansen			
Banca Nazionale dell'Agricoltura Via Salario 151, Rome, Italy, Tel.: 538181	£ 4,295,388,000 as of Dec. 31, 1975	142	2.51
LCB Director: Dr. U. Quaranta			
Banque Federative du Crédit Mutual 24, rue du Wacken 67000 Strasbourg-Cedex, France Tel.: 32 38 41	£ 1,363,154,650 as of Dec. 31, 1975	1,100	2.51
LCB Director: R. Goepfert			
Caisse Nationale de l'Énergie 51-53 boulevard Pasteur 7505 Paris, France Tel.: 53 53 202	£ 2,549,500,000 as of Dec. 31, 1975	9,000	7.54
LCB Director: A. Jeancourt-Galligani			
Centrale Rabobank Bredewijkstraat 33, Utrecht The Netherlands, Tel.: 369111	£ 8,671,000,000 as of Dec. 31, 1975	3,145	10.05
LCB Director: Dr. G. J. M. Vink			
CERA - Centrale Raiffeisenbank Minderbroedersstraat 8 3000 Leuven, Belgium Tel.: 22 79 31	£ 971,480,489 as of Dec. 31, 1975	1,000	2.51
Föreningensbankens Bank Grav Turegatan 30 NO-40 Stockholm, Sweden Tel.: 22 63 20	£ 1,265,470,000 as of Dec. 31, 1975	750	2.51
LCB Director: J. Johnselius			
Genossenschaftliche Zentralbank Hermannsgasse 1-101 Vienna, Austria, Tel.: 63 23 36	£ 4,853,000,000 as of Dec. 31, 1975	1,982	10.05
LCB Director: Dr. H. Klaus			
Osuuspankki Keskkuntaki Oy Arkadiankatu 22, 00100 Helsinki, Finland, Tel.: 34 04 04	£ 3,886,441,915 as of Dec. 31, 1975	1,185	2.51
LCB Director: S. S. Kontunen			
S.G. Warburg & Co. Ltd. 50 Grosvenor Street, London EC2, Great Britain Tel.: 01 645 55	£ 459,125,000 as of March 31, 1975	1	4.55
LCB Director: T. H. Putschek			

\*) These totals include the integrated member institutions.

## B.C.W. Jonker appointed LCB Chief Executive Europe

Mr. B.C.W. Jonker, who studied economics at the University of Rotterdam, started his career in 1964 when for two years he worked for French banks both in Holland and in France. After that he joined his family stock broking company in

Amsterdam which became part of the Lloyds Bank Group in 1969.

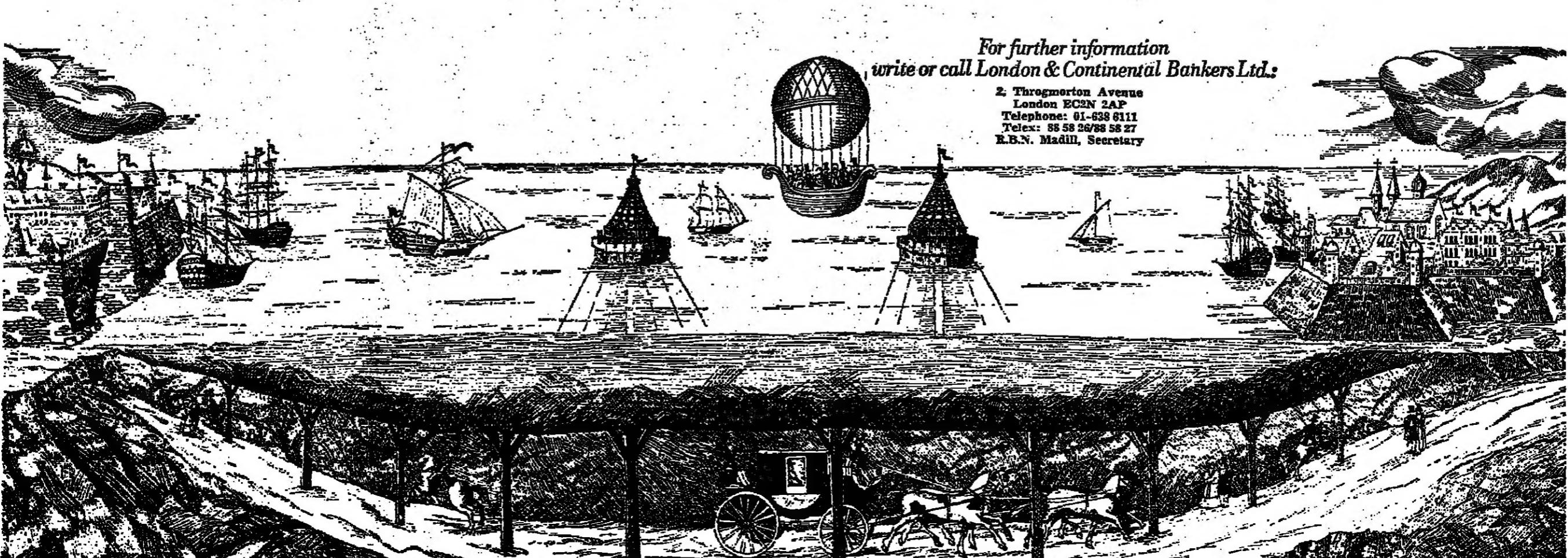
Up to May of this year, Mr. Jonker worked for Lloyds Bank International, latterly as Manager, International Financial Services responsible for the Netherlands.

ing requirements, both domestic and foreign. This company is the world's largest exporter of furs.

OKO is the main financier of the Finnish fur industry. Investment activity in this industry expanded further and fo-

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 R.B.N. Madill, Secretary







# The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

## SECURITY

### Valuables stay under cover

PROVISIONAL patents have been granted on a method to "arrived" signal. This would be by the final step—the opening link from the vehicle and only upon receipt of a coded reply vehicle and the controller would be the mechanism in the vehicle to be achieved and delivery vehicle be "unlocked" to or collection could proceed, the hoist and conveyor (if applicable).

The vehicle personnel would be operating by radio-telephone contact with the vehicle and the controller would initiate the programmed sequence by radio-telephone signals to the control panel in the vehicle.

It is envisaged that to ensure the safety of public on the pedestrian footpath, a member of the vehicle's side would be raised. This would expose the shutter co-driver from the cab, would dismount and be stationed on the footpath—being under observation from the vehicle so that any molestation or interference would result in the overriding of the sequenced signals and, if necessary, their reversal.

A further security feature is proposed in that when the equipment on the premises is inoperative, the goods platform of the hoist would be stationary at the lower end of the shaft at its point of entry into the operator's chamber, thus providing, in addition to the proposed security shutters, a further barrier to any attempt at unauthorised entry via the pillar.

At this stage, the next sequence signal—for the opening of the inner canopy doors—could be overridden or temporarily delayed by the vehicle anticipating the arrival of a personnel viewing through the security vehicle, the control station (and probably the canopy). Upon clearance being given from the vehicle, the

external shutter in the vehicle's side would be raised. This would expose the shutter co-driver from the cab, would dismount and be stationed on the footpath—being under observation from the vehicle so that any molestation or interference would result in the overriding of the sequenced signals and, if necessary, their reversal.

At no time during delivery or collection would it be possible for persons other than those involved in the vehicle or on the premises to have direct visual or physical contact with the goods being transferred.

Assuming a normal situation in which the "premises" were

anticipating the arrival of a personnel viewing through the security vehicle, the control station (and probably the canopy). Upon clearance being given from the vehicle, the

## COMMUNICATIONS

### Package of audio visual

TECHNICOLOR projector systems with or without a complete "package deal" covering filming, processing, editing and translating are now offered by Real Audio Visual, Central Way, Feltham, Middlesex. (01-890 4684).

This will enable firms of any size to equip their sales force with a complete portable audio-visual system with the minimum of down payment. Companies whose products are difficult to demonstrate can show a film with commentary to as many people as they wish in the surroundings of their choice.

Contained in an executive-size case, the unit can be used either as a desk-top viewer for six to eight people, or the film can be lowered and the image projected on to a suitable vertical surface giving an image six feet square. The film is supplied in cassettes with up to 25 minutes running time and cassettes can be changed in seconds.

### Robot finds sub-cable faults

AN UNMANNED submersible craft called Scarab will come into use in the autumn to help Cable and Wireless recover, repair and re-lay coaxial submarine cable.

Made by Ametek Strata in California, joint funding for its construction (about £2m.) has been provided by A. T. & T., C. & W., the U.K. Post Office, French PTT and the Canadian Telecommunications Corporation.

Able to operate down to 1,000 fathoms, Scarab first locates the cable using the earth's field disturbance of the cable's metal, seen on a magnetometer, or signals leaking from the cable fault, using a gradiometer.

Suitable for bench use or wall mounting, the unit is contained in a high impact chemical resistant polystyrene case measuring 230 x 180 x 100 mm. Price is £49.95 ex VAT.

## INSTRUMENTS

### Times with accuracy

REPEAT accuracy of 10 milliseconds is claimed for a digital timer introduced by N. J. Froment of Cliffe Road, Easton, Stamford, Lincolnshire. (0780 51051.)

A mains switching device, the timer covers the range 0.1 to 9.99 seconds in steps of a tenth of a second. Within a temperature range of zero to 50 deg C and a ±1.5 per cent. voltage variation, the unit is accurate to within ±0.5 sec as indicated.

Suitable for bench use or wall mounting, the unit is contained in a high impact chemical resistant polystyrene case measuring 230 x 180 x 100 mm. Price is £49.95 ex VAT.

## METALWORKING

### Lathe from Sweden

A SAAB mini-computer forms the heart of the control system of the Swedish Torsvalla S200 CNC lathe now being marketed by Horsman Brothers of Polegate, Sussex.

Information input is via tape reader, programmed storage unit or manual keyboard, enabling machine control for single or prototype production with editing prior to normal production.

The lathe itself is designed for all chucking and bar work, and uses standard tools to produce multi-diameters, tapers, curves, clearances and threads. Drive is taken from a 12kW dc motor to a 4-speed gear box. Nineteen spindle speeds can be programmed.

Maximum swing over the bed is 400mm, and over the cross slide, 200mm, with 350mm maximum cross traverse. Turnings up to 750mm long can be carried out.

## PERIPHERALS

### High-speed plotting

TWO NEW additions to the Gould range of high-speed electrostatic printer/plotter, Models 5005 and 5105, incorporate a dual-array printing head which results in a sharper, blacker image. The printing head consists of two rows of stylus, spaced 100 to the inch, and staggered in such a way that successive dots produced by the stylus overlap to give a high-contrast, solid-line trace.

The 5005 has a printing speed of 1,000 lines per minute and a plotting speed of 3.25 inches per second on 11-inch-wide paper, while the 5105, using 22-inch-wide paper, prints at 1,200 character lines per minute and plots at 3.25 inches per second.

Gould Advance at Raynham Road, Bishop's Stortford, Herts. (0279 53155).

## When it's pink.

Whether you buy your own copy, or the firm buys it for you, you will find that the cost of buying the FT is more likely to rank as a tax deductible expense than the cost of buying any other daily newspaper — because the specialised content of the Financial Times makes it essential reading for many businessmen.

So now your daily Financial Times could cost less than you thought.

## ELECTRONICS

### Low noise amplifier

AIMED at the thermal imaging market where low noise performance is mandatory are two new integrated circuits from Plessey Semiconductors designed for low noise amplification.

SL 1202 is a pre-amplifier with up to 60 dB of gain and the SL 1203 is also a pre-amplifier with differential output and current mirror for biasing cadmium mercury telluride infrared detectors.

The balanced output stage has an adjustable output current so that power consumption can be minimised. The noise performance is extremely good. More from Cheney Manor, Swindon, Wiltshire (0793 36251).

## MATERIALS

There is a 20 character display that prompts the user into his next move at various stages in the problem; the system waits for a response before continuing. This "dialogue" states Texas, allows even a novice to work with complicated problems immediately.

For business use the machine is capable of many tasks including financial analysis, long term forecasting and payroll. For technology applications it has 48 scientific functions on the keyboard, while 480 programs

## DATA PROCESSING

### Will even prompt the novice

THE literature on the latest machine from Texas Instruments states that it is designed to bridge the gap between the desktop calculator and the computer. Indeed, equipped with power that would probably have filled a room ten years ago, it is difficult to know which word to use in describing it.

Designed SR-60 it has a built-in printer, magnetic card reader for programs, and a spread of function keys that surpasses anything yet seen.

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For business use the machine is capable of many tasks including financial analysis, long term forecasting and payroll. For technology applications it has 48 scientific functions on the keyboard, while 480 programs

memory locations and 40 data registers are available for computer-aided programming.

Short problems can be key-programmed. But larger custom-designed programs are easy to write and record, permanently on 104 x 2 inch magnetic cards which are fed into a slot in the front of the unit. A basic selection study reported by BIS, Mirror Group Newspapers has ordered two ten pre-recorded programs for Data General Nova 840's plus supplied with the machine and over 100 others are available giving more powerful facilities to control the booking for its advertising space and dealing with the complexities of the Sporting Life.

The systems will replace existing accounting machines within the accounts department and the "turnkey" system for Sporting Life will cover all applications in accounts, advertising and racing form applica-

## Automation in the Press

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tion.

This is the Mirror Group's first venture into running its own computer—previously it used ICL's Central Computing Services—and reliability and ease of use were paramount. The system has two computers communicating via a disc with all the terminals on one machine.

Although this will be the first to be used for computer-aided composition, ICL's some years been active segment of the computer market and its 840 has more than 400 systems in use.

BIS Applied Systems were asked to assist the Mirror Group in this decision after completing a review of ICL's IBM 370/155 Central Computing Services in 1975.

Meanwhile automation is pro-

gressing within West

Press and King and Hutchison division of the group ordered two 2000-computer installation in the UK.

The order is valued at £220,000 and the first is

which will be used for official applications, whilst stalled this month.

It is King and Hutchison's second 2000, to be used for computer-aided composition, breaks new ground for this particular machine.

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## RESEARCH

### Problems of waste disposal

WHILE handling and storage of waste from the treatment of highly active nuclear fuel is constantly in the news, there are other problems caused by uranium exploitation, not the least of which is what to do with spoil from the ore.

Developing environmental acceptable methods for storing and disposing of waste material produced at uranium ore mills is the aim of a study being managed by Argonne National Laboratory in the U.S.

These uranium milling waste products, called tailings, present

a potential environmental public health hazard both in their bulk and the small areas of radioactivity they cont-

ain. Tailings remove more than 99 per cent of the uranium in the raw ore, but most other naturally occurring active elements remain refuse. Furthermore, the volume of the tailings exceeds the original site area and is to store the waste.

The Argonne task force examine current procedures for handling tailings and for mining waste storage sites will identify areas where safe aesthetically to store the.

Suggestions and ideas should be directed to A National Laboratory's Environmental Impact Studies D 9700 So. Cass Avenue, Argonne, Illinois, U.S.

## CONTRACTS AND TENDERS

### YEMEN ARAB REPUBLIC

#### NATIONAL WATER SUPPLY AND SEWERAGE AUTHORITY

#### NOTICE OF INTERNATIONAL COMPETITIVE BIDDING AND INVITATION TO TENDER

#### HODEIDA WATER SUPPLY AND SEWERAGE PROJECT

The National Water Supply and Sewerage Authority announces that a credit from the International Development Association, through the government of the Yemen Republic, has been approved to finance construction of a water supply for the city of Hodeida, the main sea port of the Yemen Arab Republic. It is intended that proceeds from this credit will be applied towards payment under contract for which this notice is issued. Bidding will be invited to contractors from countries who are members of the National Bank for Reconstruction and Development (NBR) and Switzerland.

Only contractors experienced in the execution of projects of similar magnitude and of sound financial position would be part of the evaluation, will be considered.

#### SCOPE OF WORK

Tender 11—Construction of Transmission Line (excluding supply of pipes, fittings and appurtenances).

The works include the following:

1 Construction of pumping mains with fittings appurtenances approximately 10.3 km, of diameter 500 mm and 400 mm, from Eli Bedi to the town of Hodeida, including excavation, laying, jointing, backfilling and testing.

2 Construction of manholes and valve chambers.

Tenders documents will be available in National Water Supply and Sewerage Authority Offices, and with Messrs. F. H. J. K. G., main office in Dusseldorf, West Germany.

Interested bidders can purchase the documents by wire, now to the following offices and after payment of 150 dollars being the cost of tenders.

NATIONAL WATER AND SEWERAGE AUTHORITY

P.O. Box No. 104, SANAA, YEMEN ARAB REPUBLIC.

Consultants:

F. H. Kochs K.G., P.O. Box 320 625, Dusseldorf, West Germany.

The closing date will be at 12.00 noon on 14th Sept 1976.

#### CALL FOR TENDER

The Somali Democratic Republic calls for tenders for the construction of a bituminous road between Golien and Gelib (257 Km).

All information may be obtained at Ministry of Public Works, P.O. Box 958, Mogadishu, Somalia. The project is being considered for financing joint European Development Fund and the Arab Fund for Economic and Social Development.

#### NATIONAL ELECTRIC POWER AUTHORITY (NEPA) PREQUALIFICATION OF TENDERERS

#### CONTRACT NO. MS 601 FURNISHING, DELIVERING AND INSTALLING HYDRAULIC TURBINES AND GOVERNORS FOR SHIRDO HYDRO-ELECTRIC PROJECT NIGER STATE, NIGERIA

The Shirdo Hydroelectric Project will consist of a concrete-faced rockfill dam with a height of 115 metres from the river bed and crest length of 700 metres. Including software, an above-ground powerhouse, pumping station and tailrace, the total installed capacity will be 155 MW. Francis turbines rated at 97 metres mean net head and a shaft speed of 150 rpm; an administration and control building, shotcrete walls.

The project is located in Niger State approximately 90 km southwest of the city of Katsina. It is situated at the confluence with the Shire River.

The Nigerian Government has invited tenders from interested contractors to furnish, deliver, install and commission the turbines and governors for the Shirdo Project. The tender document will be issued on March 1, 1977, and the contract will start on April 1, 1977.

In order to prequalify as an acceptable tenderer interested contractors must complete and return prequalification forms available and may be obtained from:

Contractor: International, Inc., Southeast, Tokai, President: C. L. Phillips, Managing Director: U.S.A.: 02149 8000, Ext. 454, Project Manager: M. P. Trier.

JULY 26 1976

# Building and Civil Engineering

## m. bridge approach Wimpey is busy in Canada

**IN CIVIL** Engineering has awarded a £4m. contract to build the Humber south approach road. The new road will be about 20-metres-long, approach extending from the south side of the Humber. It will consist of seven pre-concrete box spans with foundations to all the piers. Major structures called a three-span reinforced slab bridge carrying road over Far Lugs id a reinforced concrete pedestrian subway at Road.

300,000 cubic metres of soil, mainly in chalk, will be used in the area of the bridge. Some of this will be the construction of the embankment adjacent to the road.

Contractors for the Humber project are Freeman Fox & Partners.

## Commercial mises in Winchester

and Hill has been awarded a contract, valued at £1m., for the construction of a hall, shops and in Mosley Street, Winchester.

Development will include four shopping facilities, a linking hall with ancillary ground floor, mezzanine, first floor and offices to fifth floor. Air conditioning will be installed. Structure will be mainly precast concrete and the storey office block with a link to an existing building.

This, in turn, will be linked to another existing building and both will be refurbished to provide a total area of 1,800 square metres. The project, Crown Building, Church Hill Street, Southampton, is due to be completed in eighteen months.

Architects are the Percy Thomas Partnership and the quantity surveyors are Bond Foster and Partners.

The other contract is for the West Midlands Regional Health Authority for an additional ward block at the Kidderminster General Hospital. The two-storey block, with a 64 bed capacity, will be linked to the existing hospital by an elevated walk-way.

**US BASIN** JECT Pakistan TRACTION NEWS

ical staff writer s an exclusive series tures on Pakistan's and irrigation rk, including the la Dam, the world's t earth-filled ire, this week.

reduction News July 29

able through the gent or telephone:

2345 (ext. 171)

## Iran homes order for Cubitts

CUBITTS International is to carry out work on the £10m. first stage of a new community at Kermanshah, Iran, about 460 km. west of Tehran.

Total cost of the township eventually will top £100m. It will cover an area of some 200 hectares and overall 4,500 dwellings are planned on site by the developers—the Elashie Housing Company—by the mid-1980s. All the dwellings will be sold on the private market.

Cubitts' work on the initial phase will involve construction of 504 apartments for middle income families, designed by the Iranian architectural practice BANCO. The homes will be arranged in 84, three-storey blocks and construction is to be carried out over a 30-month period.

Two awards to David Charles

DAVID CHARLES Construction (Midlands) has begun two contracts worth over £1m. One is being undertaken for the Department of the Environment and comprises the erection of a three-storey office block with a link to an existing building.

This, in turn, will be linked to another existing building and both will be refurbished to provide a total area of 1,800 square metres. The project, Crown Building, Church Hill Street, Southampton, is due to be completed in eighteen months.

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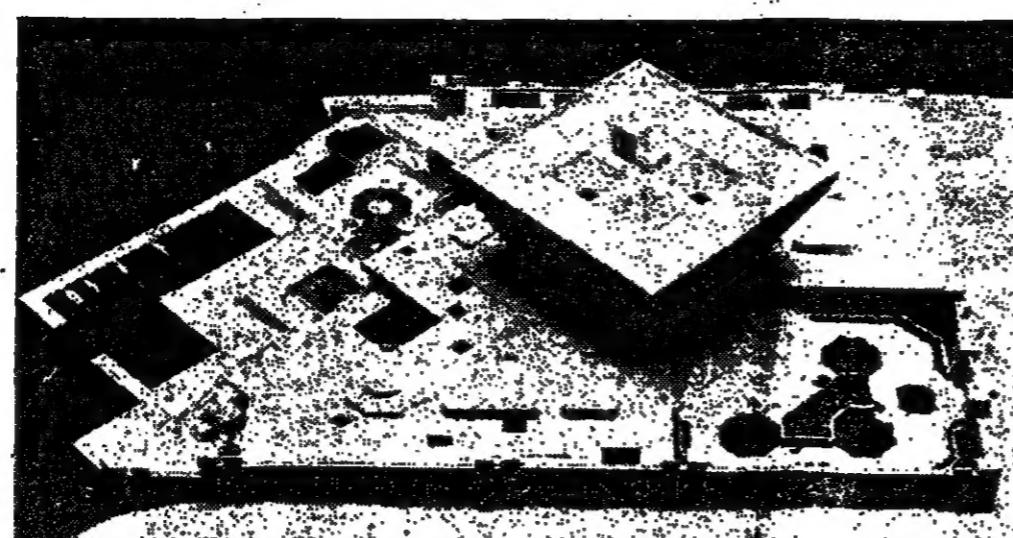
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**ASBESTOS FREE INSULATION** (SURFACE TREATMENTS) LIMITED, of Highbridge, et wish to draw the attention of public and local ties, specifiers and users to the fact that

'PYROK'

lately asbestos free and its use for fire protection, and acoustic correction constitutes no health hazard yet. PYROK have now extended their operations into a complete service for the removal of asbestos and its replacement with PYROK vermiculite insulation or PYROK RAPIDRECT dry cladding.

Enquiries to: Technical Department, PYROK (SURFACE TREATMENTS) LTD., Warlow, Highbridge, Somerset TA9 4AW. (Phone—0278 752278)



## Triumph for British architects

SEVEN firms of British architects are among the 13 prize-winners in an international competition for the design of a 250m, 450-bed hotel and conference centre in Abu Dhabi.

The competition was sponsored by the United Arab Emirates Development Bank which appointed an international jury of five. The winning design was from the studio of Rothermel Cooke of London who gain the first prize of £27,000.

The second prize goes to Gordon Bowyer and Partners of London.

There were five first mentions including three British firms: Spratt Capon Partnership of London, BGF Group of London and Architects Design Group of Derby. Five other mentions in-

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# Businessman's Diary

## U.K. TRADE FAIRS AND EXHIBITIONS

Date	Title	Venue
Current .....	International Cycle Show (cl. Aug. 1)	Harrowgate
July 30-Aug. 1	Gt. Britain Radio Society Exhibition	Alexandra Palace
Aug. 7-8	General Trade and Home Exhibition	Doncaster
Aug. 15-19	British Musical Instrument Trade Fair	Bloomsbury Centre Hotel
Aug. 15-19	International Gifts Fair	Olympia
Aug. 21-23	Brighton International Exhibition	Holland Park School, W.S.
Aug. 24-26	Education & Technology Exhibition	Earls Court
Aug. 28-Sept. 4	Motor Cycle Exhibition	

## OVERSEAS TRADE FAIRS AND EXHIBITIONS

Current .....	International Jewellery Trade Fair (cl. July 28)
Current .....	Int. Biochemical Exhb. & Congress (cl. July 31)
July 31-Aug. 8	International Arts and Antiques Fair
Aug. 3-10	Intl Building and Construction Exhibition
Aug. 5-14	Royal National Show
Aug. 6-11	International Boat Show
Aug. 8-16	Austrian Timber Fair
Aug. 9-16	International Fisheries Fair
Aug. 11-14	Materials Handling Exhibition
Aug. 12-22	Consumer Goods Fair
Aug. 13-22	International Trade Fair
Aug. 13-22	Education Equipment Exhibition
Aug. 15-20	New York Gift Show
Aug. 17-19	National Hardware Show
Aug. 21-23	Pacific Jewellery Show
Aug. 21-23	International Homes Exhibition
Aug. 23-26	Jerusalem Fashion Week
Aug. 26-30	Overseas Import Fair
Aug. 27-29	International Men's Fashion Fair
Aug. 27-Sept. 5	Int. Radio and TV Exhibition
Aug. 27-Sept. 5	Intl. Consumer Goods Fair
Aug. 28-Sept. 1	International Leathergoods Fair
Aug. 29-31	Giftware Exhibition
Aug. 28-Sept. 1	Graphic Trade '76 Exhibition
Aug. 28-Sept. 1	International Autumn Fair

## BUSINESS AND MANAGEMENT CONFERENCES

Current .....	First Nat. Bk. of Boston Export Prom. (cl. July 30)
July 27	Oyez: Exchange Control Leadership
Aug. 3-4	Industrial Soc.: Action-Centred Leadership
Aug. 9-13	Abraxas: Syntex-Innovative Skills
Aug. 9-13	H. Mitchell: Motivation, Incentives & Communication
Aug. 10-12	Marketing Imp: Fin. for Sales & Marketing
Aug. 11	BIM: Selection Interviewing, Theory & Practice
Aug. 26	BEAMA: Emergency Lighting Seminar
Sept. 1-2	Financial Times: World Aerospace
Sept. 1-3	IPM: Elements of Personnel Admin.

## Parliament this week

**Commons**  
TO-DAY: Dock Work Regulation Bill, remaining stages.  
TO-MORROW, WEDNESDAY AND THURSDAY: Aircraft and Shipbuilding Industries Bill, remaining stages; at the end on Thursday: the Royal Charter (Scotland) Bill, remaining stages.  
FRIDAY: Supplementary Benefit (Amendment) Bill, remaining stages.

**Lords**  
TO-DAY: Local Government (Miscellaneous Provisions) Bill; Protection of Birds (Amendment) Bill; Stock Exchange Completion of Bargains) Bill; TO-MORROW: Trinidad and Togu Republic Bill; Finance Bill; TO-MORROW: Hampshire C.C.

(Haslar Bridge) (re-committed) Bill; Violence in the Family Bill; Industrial Common Ownership Bill.  
WEDNESDAY: Finance Bill; debate on Community Fisheries Policy and marine fishing; and on the Royal Charter (Scotland) Bill; Chronically Sick and Disabled Persons (Amendment) (No. 2) Bill; Domestic Violence and Matrimonial Proceedings Bill.  
THURSDAY: Protection of Birds (Amendment) Bill.

**Committees**  
TO-DAY: Developments in Civil Service since the Fulton Report. Witnesses: DFES.  
TO-MORROW: Trinidad and Togu Republic Bill, Finance Bill; TO-MORROW: Hampshire C.C.

## THE JOBS COLUMN

### Oxford mandarin postbag

BY MICHAEL DIXON

SEVERAL readers have written about my report (not in this experience overseas, especially column) of the recent research in the tropics, and have been finding that the only educational senior managers in agricultural factor associated with career, R and D and the wider aspects success in the high ranks of the rural development. A degree Civil Service, is attendance at an appropriate life science Oxford University. is required, and a higher qualification would help. Quite of someone who went to Oxford, reference S/9333; closing date won a top-class degree, and for returning application forms applied to be a mandarin but is September 10.

The letters all give instances qualification would help. Quite of someone who went to Oxford, reference S/9333; closing date won a top-class degree, and for returning application forms applied to be a mandarin but is September 10.

This comfort me because, a specialist in the control of pests which threaten crops, and whoever wins this officially London-based post will probably in eastern Africa, and implies a touch of Oxonian nepotism in topmost officialdom, the first three years abroad, closely not a sufficient amount of mandarins who have not done well. And this is the basis of the main task is to work with the ship charter market. A master mariner would have an advantage. Salary negotiable, but £8,000 tax-free gives a fair idea. Married accommodation, air fares, and the like are provided. Applications to Mr. Grant at East Common Lane, Scunthorpe DN16 1HN—telephone 6161 or 4513.

Planning inspectors preside over public local inquiries and in the large majority of cases their judgment is decisive," says the CSG which is seeking a second-class honours or better (at Cambridge the proportion is about 90 per cent), your career chances in the Civil Service are better than ever. If you fall into that category, you might be tempted by one of the first three jobs this week, all of which are being handled by my good friends, the Civil Service Commission. The address is Alconer Link, Basingstoke, Hants RG21 1JB—telephone Basingstoke 685511, or, for answering service only, 01-839 9922.

Fifty is the minimum age for in and around London, the £12,455 job of chief adviser on natural resources overseas at the London headquarters of the Ministry of Overseas Development. I gather that the responsibility covers all the Ministry's activities concerned with research into and development of renewable natural resources abroad, and the newcomer will be the chief policy adviser on such matters to the Minister.

PETER HUGHES, of Professional and Executive Recruitment's Bristol office (telephone 0272-259854) is looking for a qualified accountant with sound experience in industry. The opening is the job of chief accountant reporting to the managing director of the £3m-turn-

over Anderson Rubber Company in Bristol. The recruit, who will most likely be aged from 35 to 40, will control all of the company's accounting work, with the help of a staff of ten people. The salary is £5,000-£6,000—a range which at least overlaps nearly the bottom quarter of the pay scale for a plain planning inspector in the Civil Service.

A COMMERCIAL manager's job is going in Kuwait with Lamassco, which is a joint venture by the Bos Kals Westminster Group of Holland, and the Abdulla Alireza group of Kuwait. The joint concern operates offshore oil terminals and charter vessels for connected ports.

R. F. M. Grant, head of the Bos Kals Scunthorpe subsidiary, Grant Lyon Engrs, says that the need in Kuwait is for someone with a successful commercial background, familiar with small offshore craft and with the ship charter market. A master mariner will have an advantage. Salary negotiable, but £8,000 tax-free gives a fair idea. Married accommodation, air fares, and the like are provided. Applications to Mr. Grant at East Common Lane, Scunthorpe DN16 1HN—telephone 6161 or 4513.

Finally this week, the British-Hellenic Chamber of Commerce in Athens wants to recruit someone this autumn with a view to taking over when the present secretary retires on June 30 next year. But there is a snag. The Chamber, whose aims are to study, foster and develop commercial and economic co-operation between the two countries, has only about 400 members and an income of some £15,000 in all. So it cannot offer much more than a net £3,000 worth of drachmas annually, for a guaranteed period of two years.

"With this salary the appointment will probably be mainly of interest to someone who has received the 'golden handshake,' or retired early, but still anxious to take an interest in promoting British exports, and does not want to run to seed too early in life," say George Iacopoulos and Harry Winterburn, the joint presidents (4 Vafiorou St., Athens 134—tel. 620-188).

Knowledge of Greece and still at Greek would help.

## LABOUR NEWS

### CBI seeks modification of dock work Bill

BY CHRISTIAN TYLER, LABOUR STAFF

THE CONTROVERSIAL Bill to increase the number of registered dockers and expand the definition of their work is condemned by statements from the CBI and other employer bodies.

Appeals to the Government to scrap or greatly modify the Dock Work Regulation Bill are timed to-day's report and third reading in the Commons under the guillotine.

The CBI says that the Bill is inflationary, will increase industrial unrest rather than lessen it, give dockers a "possible stranglehold" on goods and hit overseas trade and port investment.

Specifically it calls for exemption from registration of sites currently covered by union agreements. The Government has accepted an amendment demanded by some unions which would exempt certain workers

keep them competitive," in a letter to Mr. Albert Booth, Employment Secretary. It would increase "bureaucratized control over labour" the chamber adds.

Last week, the British Ports Association and the National Association of Port Employers protested that to extend the register would mean viable employers having to take on many unwanted labour than ever in the event of closures. Small ports could be put out of business if.

Although union objections to the Bill have been met largely with substantial amendments at committee stage, employers say they have not won any concessions since its introduction.

They will be pressing MPs to

day to pick up every promise made by Government spokesmen during committee in an effort to get last-minute changes.

#### Export costs

According to the British Importers' Confederation, which sent a memorandum on the Bill to MPs over the weekend, the Bill would increase import costs by £160m a year. Food import costs would rise between £20m and £25m.

London Chamber of Commerce says that the Bill will add to export costs "at a time when every effort must be made to

keep them competitive."

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BY OUR LABOUR STAFF

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day to pick up every promise made by Government spokesmen during committee in an effort to get last-minute changes.

### Scottish steel workers fear Hunterston plan will be cut

BY OUR LABOUR STAFF

SCOTTISH STEEL workers are becoming increasingly concerned that the British Steel Corporation commitment to build an integrated steelworks at Hunterston on the Clyde estuary may not be fulfilled within the next 10 years.

The steel men, led by officials of the Iron and Steel Trades Confederation, feel last week's spending cuts for nationalised industries combined with heavy cost escalations and a powerful steel lobby for developments in South Wales, may lead the Government and BSC to delay a start at Hunterston.

Sir Monty Finniston, BSC's retiring chairman, has said it would seek planning permission for a £1.5bn. (at 1976 prices), 5m. tons a year complex either next year or 1978, with first steel being poured by 1988. The Government has also expressed a commitment to the outline plan.

But ISTC officials point out that no plans have yet been submitted for an initial steel-making electric arc furnace and continuous casting works due to come into production by 1980.

This date is intended to coincide with the closure of the

open hearth steel-making facilities at the nearby Glenrothes works, whose rolling mills would be supplied from Hunterston.

Predicting that this development would not start operating until 1988 or 1989, Mr. Arthur Bell, Scottish divisional officer of ISTC, said they were "deeply concerned" about the major projects at Hunterston and would be seeking talks with the Government and BSC's new chairman, Sir Charles Villiers.

Jeopardise

"We feel that all the delay and procrastination about Port Talbot and Shotton could jeopardise the future of Hunterston. We know there is an anti-Hunterston lobby growing in some circles and after all, the South Wales steel industry has a powerful voice in the Cabinet," said Mr. Michael Foot.

He hinted that the ISTC might revise its decision to co-operate on closure of older open-hearth works in Scotland, taken over by under-manning at the plant.

The management agreed to do everything possible to make up the labour deficiencies, and in the meantime to re-deploy some of the workforce.

week was unable to confirm whether the Hunterston development timetable would proceed as planned, although a spokesman said he was not aware of anything which would alter existing commitments.

The corporation owns more

than 1,100 acres at Hunterston,

where it is building a 270m. ore terminal and two direct reduction plants—in the UK costing about £500m. Both these projects have been approved on the basis that the site, regarded as one of the finest adjacent to deep water in Western Europe, will be developed as a major steel complex.

Steel production will be back

to normal to-day at the Shelton works in Stoke-on-Trent, where 200 men have been on a six-day strike. Union and Management agreed a settlement at the weekend.

The men, members of the

Iron and Steel Trades Conf.

union, claimed they were

being forced to work double shifts and 16 hour days because of under-manning at the plant.

The management agreed to do

everything possible to make up

the labour deficiencies, and in

the meantime to re-deploy some

of the workforce.

Spillers-French Holdings has recently announced a restructuring of their UK compounding and merchanting interests, for which the principal company will be SPILLERS AGRICULTURE, with two subsidiary management companies, Spillers Farm Feed and other companies.

Mr. Alex. Robinson

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**Bon:** Pressehaus, 111/112, Düsseldorf, 2-70.

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**Tokyo:** 8th Floor, Nihonbashi Mitsui Building, 3-5-2 Chuo-ku, Tel: 241 2938.

MONDAY, JULY 26, 1976

In the light of the industrial strategy reports, Adrian Hamilton considers Britain's growth hopes.

The Financial Times Monday July 26 1976

# The state of industry after a generation of decline

## Money still matters

DESPITE THE announcement by Mr. Denis Healey of a figure in the years ahead than the expected growth of the conflict interpretations placed by Mr. Healey and Mr. monetary side is still the Booth on the impact effect of weakest part of official policy. This is not so much a matter of actual figures or the way they are presented, but the modest and essentially supporting role which the money supply apparently plays in the Government's anti-inflation strategy. Pride of place is occupied by the incomes policy. After much internal argument and prodding from overseas, control of public spending and the public sector borrowing requirement have now also become key policy weapons. But no one who followed the official presentation of last Thursday's package could say that monetary policy yet occupies a comparable place.

### Strong pressure

The 12 per cent figure for 1976-77 was itself presented as a forecast rather than as a target or objective. This in itself might not matter so much, as there is obviously going to be strong pressure both from the IMF and from Mr. Healey personally to see that the forecast is not made to look silly by events. The real reason for disquiet is that the role of monetary demand—which despite short term variations in velocity is largely determined by the money supply—in determining the behaviour of prices is still not recognised. Mainstream Treasury thinking still sees the aim of monetary policy as being as an aid to wage and fiscal policy rather than as an instrument for influencing the price level. There is evidence that the Bank of England would like a much firmer commitment to monetary targets, but it has not yet won its case.

So far from being merely a theoretical matter this omission has important practical consequences for employment. The mechanical effects of monetary, as of most other, policies take a long time to show themselves. But a long term monetary target which carried conviction could have an immediately beneficial effect on expectations about prices. It is surely unnecessary to spell out at this juncture why it is that the lower business, investors and trade unionists expect inflation to be, the better is the prospect means business by publishing for output and employment the normal money supply figures.

## Greek entry poses EEC problems

IN opening EEC entry negotiations with Greece this week, an additional political consideration of the Nine has been that will almost certainly lead to far-reaching changes in the membership will help to stabilise Greek democracy. What the is no good pretending, as some people do in both Athens and the capitals of the Nine, that it is only Greek membership that is at stake. The Nine's "Yes" to Greece will inevitably make it far harder to turn away other Mediterranean countries, notably Spain and Portugal, who are almost certain to come knocking on the Community's door in the years ahead. Further down the line, Malta and Cyprus must be regarded as at least potential candidates, and Greek entry is bound seriously to complicate the Community's already difficult relations with Turkey—indeed Greece has already begun to do so.

### Rome treaty

Taken in isolation, Greece's case for membership is hard to fault. The Treaty of Rome stipulates that the Community is open to all democratic West European countries. The new régime, and indeed the Greek people as a whole, have given ample proof of their Europeanism in recent months, much more so in fact than two of the previous new entrants, Britain and Denmark. Economically, the Greeks are quick to point out that their per capita income is now only marginally less than that of Ireland, already a member, and that their growth rate is already acutely sensitive about Greek entry and is seriously embroiled with Athens over both Cyprus and the Aegean. The Western camp is industrial and agricultural, but it is looking much less attractive in Ankara than it used to. None of this means that Greece should be possible to negotiate a deal with Ankara, at a time when Ankara is dissatisfied with the Community, mainly over its restrictive attitude to Turkish migrant workers, and that their growth rate is considerably faster than that of the Nine in recent years. There are, of course, economic problems, both industrial and agricultural, but it should be possible to negotiate a deal with Ankara if it is turned away. It is right to start negotiations. But the Nine must at the same time take a long, hard look at where they are going.

**I**F THE slogan of the War was "Dig for Victory," the slogan of to-day must be "Put Your Backs Behind Industry." In the Chancellor's public expenditure statement last week, in the grand meeting of the National Economic Development Council earlier this month and in countless ministerial speeches across the nation, the motivation of almost every Government economic act—whatever the true reason behind it—has been ascribed to "the priority of restoring prosperity through the regeneration of our industry." In the short-term this apparently might mean diverting resources from other areas of expenditure and even, as in the statement last week, of increasing the tax burden on industry. But over the long-term there is danger of the prospect of the first experience of sustained export growth that this country has enjoyed since the War.

Last week's announcement, of course, had little to do with "diverting resources to industry" and a great deal to do with lowering the public sector borrowing requirement for the sake of the country's foreign creditors. But there is a reality to the slogan as well. Against the contradictory pulls of a union leadership still obsessed with the problems of unemployment and the needs for both import controls and greater State intervention and industrialists who feel particularly hard put upon by the increased national insurance charges announced by the Chancellor, the Government is trying to find a consensus course that promotes industrial growth, if only by restraining domestic demand and inflation. And it has a case in arguing that now, if any, is expressed as a range. A moving target is also better than fixed objectives for separate periods of a year. If the broadly based money supply, which has so far this year been rising at 10 per cent, now starts to increase at 13 per cent, no one will be sure whether this represents a new and disturbing trend or whether it is a fluctuation around the 12 per cent

### Credit expansion

In the case of the U.K. a three-fold objective is required. We need targets for both measures of the money supply and also for Domestic Credit Expansion. The authorities are already watching DCE because the IMF is interested in it. But there is an even more important reason for doing so. DCE represents the domestic element in money creation. This has been offset in the past few months by accruals of sterling to the authorities resulting from the fall in reserves and overseas borrowing. This is neither a reliable nor a desirable method of control. At present, DCE figures are published at quarterly intervals and three to six months in arrear. The Bank of England could show that it is means business by publishing them every month together with the latest figures.

And yet the work represents the genuine desire of a 1,000 or more participants from unions, management and Government to be able to achieve its growth targets.

At the other extreme are those like heavy electrical machinery (mainly the turbine generator and boiler manufacturers), paper and board and, to some extent, the

industry as it now stands after a generation of decline and to steel industries. They virtually declare themselves to be on the uppers. The turbine generator sector, already contracted to a production capacity of 6,000MW to 8,000MW of plant a year, faces ruin unless it receives a new power station order and unless the nuclear power programme gets underway. The paper and board industry desperately needs a U.K. component needs met by imports; the iron and

and some protection if it is not steel industry, which in the 1975

releases given by the reports are both general—the common woes of poor profitability, problems with the price code, increasing import penetration and worries about skilled manpower.

At one end are the confident

ment have taken a larger share of home demand over the past ten years while exports have taken a declining share of world markets," says the report of that sector working party.

This record is repeated elsewhere. There is the electronic components industry, which

has gone from virtual self-sufficiency in 1960 to a position in 1974 where more than half

of that sector working party,

strategy for waste reclamation

met by imports; the iron and

and to squeeze by high imported pulp prices on one side and tonnes and exports down by a

fierce competition from foreign similar volume. There are

paper manufacturers on the sectors such as textile machinery

other. The constructional steel and rubber processing, where

work sector has been hit by a

in spite of a favourable

balance, the U.K. position in

The sector reports certainly upturn, there has t given weight to the Government's investment outside G for a dual macro and micro-induced schemes. La economic approach in which a ability appears to b broadly favourable economic further reduced by t policy interacts with a sectoral of legislation to pr analysis and planning approach. Without a general atmosphere press differentials.

Exports, it is true, and to reducing inflation, and without the consensus so eagerly sought at the last NEDC meeting, a rapid further decline in see price alone bein almost every sector would occur.

But, equally, it can be argued that an approach which ignores, which the Government at as previous efforts have, the dictating. Also the specific problems of individual restraint on the hor sectors is in danger of failing in areas such as co the face of unrealistic targets textiles. Industrial domestic electrical g office machinery are to cause the self-gene port growth, and i

to learn more of each other's complaints. They also illustrate, if they do not prove, that the Government must tailor ad to the need for renewal of assets, for restructuring companies and for greater export effort in the way of selective assistance that in its accelerated investment scheme, its industry aid project and its promise, in last week's statement, of increasing the funds available to such selective aid it has promised.

Industry, in the reports, displays a general dislike for Government policies on price control, personal and corporate tax and the frequent changes of Government macro-economic policy. But the reports also reveal to a surprising degree the recognition by industry of the dominating position of the public sector over such fields as heavy electrical engineering and pharmaceuticals and the acceptance of the need (mechanical handling equipment, industrial trucks, office machinery, food and drink processing, packaging and bottling, fluid power and to some extent construction equipment and others are examples) for industry restructuring and Government intervention to aid joint export and research and development effort.

To reduce public e in order to release labour for industry, a company sector wants, is the wrath of the union reduce the public sec

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Carriageway and flyover construction on the Dartford Tunnel to Swanley (A20) line road in Kent.

There will be less spending on this sort of project for which little relief seems in sight.

Between the sectors of organic chemicals, synthetic resins, rubber, plastics, mining machinery, industrial engines, industrial trucks and man-made fibres, there is a great range of British industry — particularly mechanical engineering which accounts for a third of total British manufacturing and clothing and consumer durables—suffering the accumulated effects of a decade or more of increasing import penetration, low investment, relatively poor and deteriorating productivity performance, falling employment and weak marketing and design.

For the petrochemicals sector, the main difficulty is the surplus of European capacity likely to last into the next decade, and the main question, therefore, is how to use the North Sea to its best advantage in creating lower-cost, export-oriented plant which can take a greater share of the upturn in European demand as it occurs. Given the right investment—in the case of organic chemicals an additional £100m a year in a new ethylene/plant and further processing facilities, £120m to £150m for synthetic resins to raise penetration of EEC markets by 5 per cent, and £200m for synthetic rubber to be sunk into a CIS polyisoprene plant to serve the European market.

The industry feels confident of being able to achieve its growth targets. At the other extreme are those like heavy electrical machinery (mainly the turbine generator and boiler manufacturers), paper and board and, to some extent, the imports of heating, ventilating and air conditioning equipment.

The reality, backed by a host of outside evidence, is of a British industry deteriorating Relations with suppliers seem almost non-existent. Various sectors report potential supply problems with steel, with cast

and low-volume specialist pieces of equipment—charges which are rejected by the suppliers of these items.

The cause is there to be sustain the investment needed for research and development and modern plant.

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### CHANGE OF NAME

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From Washington, David Bell reports that there is some concern that the economic brakes may be put on too hard.

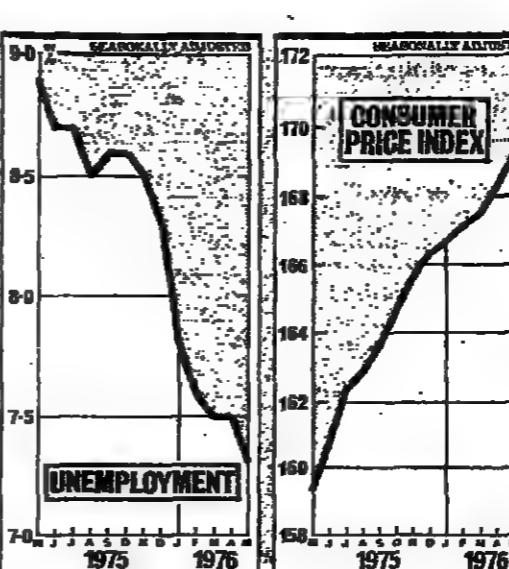
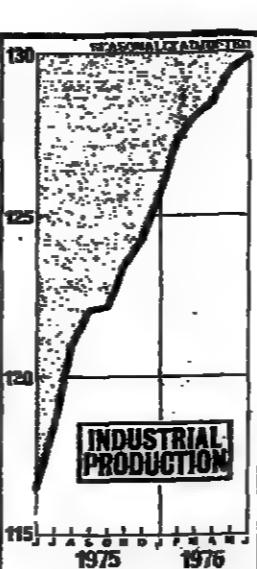
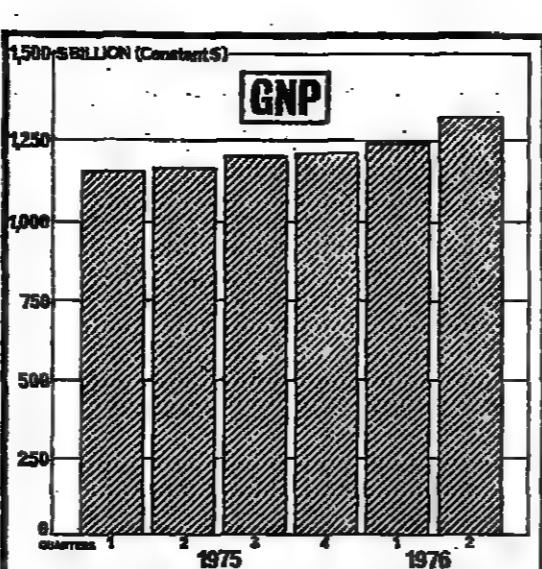
# Problems of U.S. economic recovery

TOUS, measured, sustained employment down from what it steady: these are some of the words that bring smiles to acceptable levels. An increase of many economists in number of Democratic economic recovery. Even that attempts to reduce unemployment now seem to be gaining that the economy must be made to grow. If elected, it is to be controlled. Mr. Jimmy Carter may well side with him if he can resist the intense party pressure for the creation of new jobs.

Yet in spite of the continued optimism of the Administration in public, there have been some worried people in the White House in the past two months who have begun to wonder if the brakes may have been applied too hard. This fear has coincided with continuing concern about inflation — still expected to stick at between 5 per cent. and 6.5 per cent for the year — and about unemployment which actually rose last month and is now 0.5 per cent. above the point where the Administration expects it to be in December.

## Spending

Ford Administration is particularly proud of the fact that it has persuaded western leaders to do its best to forge the nation of a rapid inflation concentrate instead of subduing inflation so as to avoid the catastrophe that too rapid inflation is already set off. It is not clear that the rest of the world has learnt this as well as the Administration would like. Even at fully two thirds of those in a recent confidence survey said to not give the Ford Administration any credit for economic recovery. Not believe it will last. Democratic Party does not the lesson either. If the recovery would have happened anyway, and interest rates have much needed growth would have brought on.



support. This calls for a production was up only 0.3 per cent. last month, but almost everyone agrees that was a temporary lull. The preliminary GNP figures released last Tuesday show the second quarter growth rate slowing to 4.5 per cent., but do not disturb the reckoning. If elected, Mr. Carter is more likely to concentrate assistance on those groups that need it most, and to try to resist Congressional pressure for a large increase in Government spending to make new jobs. Needless to say the Republicans think this would be a disaster.

The Democratic nominee has also vowed to make the Federal Reserve Board more responsive to a Carter Administration. He wants the chairman's term to coincide with the President's, and he wants the Fed to be much more specific about its goals.

For those who want to see what the Fed is up to, however, its reaction to the weekly Friday money supply figures gives an increasingly good guide. More and more corporate treasurers have noticed the clear link between the Fed's money supply targets and the movement of the Wholesale Price Index.

Consumer spending cannot indefinitely sustain the recovery, and there has also been concern about the slow increase in new spending on capital plant and equipment. The latest, albeit fragmentary evidence, suggests that this too may now be picking up. U.S. Steel recently announced, for instance, a big new steel plant; sales of large lorries which traditionally presage a surge of capital spending are also doing well, and the forecasters of the Conference Board, which has close links with industry, has just issued a report which talked of clear signs of an increase in capital spending to towards the end of the year.

Most economists agree with the Administration estimate that capital spending should be growing at an annual rate of between 8.5 per cent. and 10

per cent. by the end of 1976. If so, the Administration will be well pleased, because it is anxious to see a long smooth build-up of new investment, avoiding the "bunching" of new projects which can easily cause bottlenecks and overheat the economy.

The slowing down of growth in the second quarter already seems to have removed some of the bottlenecks that were beginning to appear at the end of April, particularly in textiles, paper and chemicals. Latest estimates indicate that in the second quarter durable goods manufacturers were up to 7.6 per cent. of capacity (7.3 per cent. in the first quarter) but that non-durable producers have only fractionally increased their capacity utilisation to 86.2 per cent. (from 85.8 per cent.).

Such a capacity margin is very important, the Administration feels, if the country is to achieve its most important target of restraining inflation. The inflation rate has been increasing strike has now entered its third from the artificially low 3.5 per month with no sign of the constant level of the first few months yielding and without any months of the year, but the visible effect on the car industry harvest promises to be very try. The triennial car workers' good again this year, which began last year, will probably not lead to a major confrontation, if for the services component of the Consumer Price Index and the no other reason than that the United Autoworkers Union has noticed the clear link between the Fed's money supply targets and the movement of the Wholesale Price Index.

The administration is not particularly want to embarrass the Democratic Party to cause some concern, but the administration felt confident so close to an election. But the unions, as a whole, will be fighting hard this autumn for the issue of unemployment. Within the Administration everyone, from President Ford to Dr. Arthur Burns, Chairman of the Federal Reserve, agrees that 7.5 per cent. unemployment is too high, although they are convinced that the statistics are only fractionally increased their capacity utilisation to 86.2 per cent. But the administration was well pleased by the collapse of the San Francisco municipal workers' strike after the city had refused to pay what was demanded. The rubber workers' strike is almost certainly overstate the problem.

They reject, however, the Democratic Party remedy enshrined in the Humphrey-Hawkins Bill to which Mr. Carter has given his lukewarm

Mazowsze (Polish Dance Company), Royal Festival Hall, S.E.1, 7.30 p.m.

## MUSIC

Philip Pilkington gives piano recital of music by Stravinsky and Chopin, St. Lawrence Jewry next Guildhall, E.C.2, 1 p.m.

Lindsay Strine Quartet play music by Haydn, Tippett and Beethoven, Wigmore Hall, W.I, 7.30 p.m.

## BALLET

### COMPANY RESULT

### Hall-Thomotank (half-year).

### COMPANY MEETINGS

### See Week's Financial Diary on page 10.

### TELEGRAMS

### PARLIAMENTARY BUSINESS

### House of Commons: Dock Work Regulation Bill, remaining stages.

### House of Lords: Local Government (Miscellaneous Provisions) Bill, third reading.

### Transport Docks Board is

### annual report.

### Court of Appeal hearing against High Court decision that agreement on mergers in 1972 was about £2m, while in 1975 average expenditure on mergers and acquisitions was less than £1m.

### WHEN

### Regulation Bill, remaining stages.

### Highly Widowed, London Palladium, Argyll Street, W.I, 7.30 p.m.

### DANCE

### Australian Ballet dance The Merry Widow, London Palladium, Argyll Street, W.I, 7.30 p.m.

### DRAMA

### Dance Sengoku, Sadler's Wells Theatre, Roseberry Avenue, E.C.1, 7.30 p.m.

### ENTERTAINMENT

### TENNIS

### British Junior championships, Eastbourne.

### WEDDING

### HEAD OFFICE

### 7-1 Marunouchi, Chiyoda-ku,

### Tokyo 100 Tel: (03) 211-6111

### Tel: 222654, J22860

### DOMESTIC BRANCHES

### 191 branches throughout Japan

### OVERSEAS OFFICES

### New York Agency

### One World Trade Center, Suite 8527,

### New York, N.Y. 10048 U.S.A.

### Tel: 212-432-6100

### Tel: 232328, 420367

### Los Angeles Agency

### 800 Wilshire Boulevard, Los Angeles,

### California 90017, U.S.A.

### Tel: 213-631-1200

### Tel: 0373855, 0374214

### Chicago Representative Office

### One First National Plaza, Suite 2500,

### Chicago, Illinois 60603, U.S.A.

### Tel: 312-265-2522

### Toronto Representative Office

### Commerce Court West, Suite 2000,

### Toronto, Ontario, Canada

### Tel: 416-368-8816

### Tel: 022749

### Sao Paulo Representative Office

### Rua Libero Badaró, 533, 841,

### São Paulo, 01009, Brazil

### Tel: 295-5244

### Tel: 1121854

### London Branch

### No. 8, Lombard Street, London, EC3V

### 8A, England

### Tel: 01-522-6501

### Tel: 885-6400, 888-2320

### Düsseldorf Branch

### Postrasse 62, D-5, Düsseldorf,

### F.R. Germany

### Tel: 0211-6111

### Tel: 858-0209, 858-0276

### Paris Representative Office

### 4, Place de la Concorde, 75008 Paris,

### France

### Tel: 742-0001

### Tel: 069-01010

### Berlin Representative Office

### Staats-South Building, Goethe-Poet

### Street, Berlin, Lebanon

### Tel: 247910 Ext. 28

### Seoul Branch

### 188-3, 1-ka Uichon, Chung-ku, Seoul,

### Republic of Korea

### Tel: 27-2420

### Singapore Branch

### Padang 02, D.S. Building, 6

### Europa Way, Singapore, 02

### Tel: 220565, Tel: 21913, 2194

### Hong Kong Representative Office

### Room 1301, Liu Chong Hong Bank

### Bldg. 24 Des Voeux Road Central,

### Hong Kong, Hong Kong

### Tel: 5-234-084, Telex: 74357

### Jakarta Representative Office

### Nusantara Bldg., 19th Floor, Jalan

### M. H. Thamrin No. 59, Jakarta,

### Indonesia

### Tel: 54521-5

### Ext. 4359-62 Telex: 734265

### Sydney Representative Office

### 34th Level Australia Square, Sydney,

### N.S.W. 2000, Australia

### Tel: 27-7978 Telex: 7274

### Overseas Subsidiaries and Affiliates

### The Mitsubishi Bank of California





## INTERNATIONAL COMPANY NEWS + EURO MARKETS

## EUROBONDS

## Another floating rate formula

BY MARY CAMPBELL

THE DOLLAR sectors of the years and the other as indicated Eurobond market had a relatively quiet week with only one new issue announcement until Friday evening. Over the week, however, one US\$30m floating rate issue came out together with a two-tranche Canadian \$40m issue for ISE Canadian Finance under guarantee of International Standard Electric which is in turn wholly owned by International Telephone and Telegraph.

The floating rate issue, which is for Banque de l'Union Européenne, introduces yet another formula to the market. Instead of the usual combination of a quarter point margin over LIBOR with a minimum guarantee rate, it offers a relatively high margin of 2 of one per cent during the first year, declining by an eighth of a point to a quarter only during the last two years of the five-year final issue for the SNCF—the French railways—set a new, lower yield level for first class names in the Swiss foreign bond market.

The \$40m issue is divided into two equal tranches, one offering an indicated 2% per cent for six only 6 per cent.

## Roechling-Burbach hopes for recovery

BY ADRIAN DICKS

**ROECHLING-BURBACH**, the Saarland steel producer, hopes to balance its books this year following the loss of DM137.2m (US\$30m) suffered in last year's steel slump.

During the first half of 1976, the company reports, production rose by 4.2 per cent to 1.24m. New orders picked up by 16.9 per cent for mass steels (to 765,000 tons), and by 33.7 per cent (to 182,000 tons) for special steels. However, Roechling-Burbach sees little further scope for extra business in the steel sector, and looks to a recovery of mass steel business if its hopes of getting back into the black by the end of 1976 are to be realised.

In common with other West German steel producers, the company believes that much of the mass steel market—though put down to higher costs.

Last year the company suffered a drop of 30 per cent of its pig-iron production and of 28 per cent each in crude steel and rolled steel products. Turnover was down 26.8 per cent to DM1.6bn, thanks to the collapse of the mass steel market though put down to higher costs.

COLOGNE, July 25.—KAUPHOF said that the economic period last year, floor space increased 4.2 per cent to 87,000 square metres, Kortzfleisch said in effect on the consumer climate, but the company still hopes for an interim report.

Parent company sales in the first half rose 2.7 per cent to DM2.39bn, while for Kaufhof subsidiary turnover rose 2.6 per cent to DM3bn. against the same period last year.

In the first six months of 1976 group turnover rose 2.7 per cent to DM2.39bn, while for Kaufhof subsidiary turnover rose 2.6 per cent to DM3bn. against the same period last year.

Reuter

## Forecasts from Kaufhof

BY ADRIAN DICKS

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Reuter

## Indices

## NEW YORK—DOW-JONES

	1976 Since compilation									
	July 26	July 22	July 21	July 20	July 19	July 18	High	Low	High	Low
Industrial	860.81	861.04	861.44	862.26	862.35	862.51	1,011.21	858.71	1,011.21	858.71
Home/Bds	69.68	69.77	69.80	69.76	69.77	69.81	70.00	69.58	70.00	69.58
Transport	251.70	252.85	253.40	253.80	252.75	252.87	257.30	251.27	257.30	251.27
Utilities	81.10	80.88	80.79	80.87	80.71	80.85	81.90	80.45	81.90	80.45
Trading vol. 000's	15,877	15,800	16,850	16,810	15,850	16,840	—	—	—	—

\* Basis of index changed from July 1.

Ind. div. yield % July 16 July 9 July 2 Year ago (approx.) 3.83 3.78 3.83 4.42

## STANDARD AND POORES

	1976 Since compilation									
	July 26	July 22	July 21	July 20	July 19	July 18	High	Low	High	Low
Industrials	119.77	116.84	116.55	116.77	117.04	117.49	152.02	101.84	152.02	101.84
Composite	104.08	103.93	103.88	103.72	104.29	104.88	106.85	98.80	106.85	98.80
	July 31	July 16	July 8	July 2	Year ago (approx.)	3.88 3.80 3.83 4.42				

## INDUSTRIAL STOCKS

	1976 Since compilation									
	July 26	July 22	July 21	July 20	July 19	July 18	High	Low	High	Low
Industrials	119.77	116.84	116.55	116.77	117.04	117.49	152.02	101.84	152.02	101.84
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	July 26	July 22	July 21	July 20	July 19	July 18	High	Low	High	Low





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# Borthwicks

THOMAS BORTHWICK & SONS, LIMITED

(Registered in England No. 233714)

## Offer for Sale

by

MORGAN GRENFELL & CO. LIMITED

of 15,000,000 Ordinary Shares of 50p each at 80p per share  
payable in full on application.

The Ordinary Shares now offered for sale rank in full for all dividends hereafter declared, made or paid on the Ordinary Shares of Borthwicks.

The Application List for the Ordinary Shares now offered for sale will open at 10 a.m. on Thursday, 29th July, 1976 and may be closed at any time thereafter.

### SHARE CAPITAL

Application has been made to the Council of The Stock Exchange for the Ordinary Shares of Borthwicks, issued and now being issued, to be admitted to the Official List.

Authorised

**£22,000,000 in 44,000,000 Ordinary Shares of 50p each £17,512,500**

Issued and now being  
issued fully paid

**Indebtedness At 26th June, 1976, Borthwicks and its subsidiaries had outstanding a secured loan of £538,000, unsecured bank loans of £8,052,000, liabilities under acceptances or acceptance credits of £10,052,000, other unsecured bank indebtedness of £32,362, contingent liabilities for bills discounted, guarantees given and amounts uncalled on partly paid shares of £4,588,000. In addition, at that date, Borthwicks had outstanding a secured guarantee of an unsecured bank loan to a subsidiary amounting to £899,000. Liabilities in currencies have been translated into sterling at official rates of exchange ruling on 26th June, 1976. Save for the foregoing and for intra-group transactions, neither Borthwicks nor any of its subsidiaries had outstanding at that date any borrowings or indebtedness in t of borrowing, including bank overdrafts, liabilities under acceptances (other than normal trade bills) or acceptance credits, mortgages, charges, hire purchase commitments, or guarantees or other material contingent liabilities.**

#### Directors

WILLIAM ALEXANDER BULLEN (Chairman),  
Priory House, St. John's Lane, London EC1M 4BX.

SIR JOHN THOMAS BORTHWICK, Bart.,  
Priory House, St. John's Lane, London EC1M 4BX.

CHRISTOPHER MICHAEL FLEMING,  
Priory House, St. John's Lane, London EC1M 4BX.

NORMAN HARRY HUNT, O.B.E.,  
Priory House, St. John's Lane, London EC1M 4BX.

DUNCAN SIDNEY ALEXANDER MCFARLANE (Australian),  
6 Logan Street, Canterbury, Victoria 3126, Australia.

IAN EDMOND ORR MCKELLAR (New Zealander),  
Riversdale, Huntlydon, No. 4 R.D., Ashburton, New Zealand.

JULIAN RUSSELL STURGIS,  
Priory House, St. John's Lane, London EC1M 4BX.

#### Principal Bankers

BANK OF NEW SOUTH WALES,  
425 Collins Street, Melbourne, Victoria, Australia.  
318-324 Lambton Quay, Wellington, New Zealand.

BANK OF NEW ZEALAND,  
Lambton Quay, Wellington, New Zealand.

BARCLAYS BANK INTERNATIONAL LIMITED,  
120 Broadway, New York, N.Y. 10005, U.S.A.

CITIBANK N.A.,  
399 Park Avenue, New York, N.Y. 10022, U.S.A.

THE COMMERCIAL BANK OF AUSTRALIA LIMITED,  
335 Collins Street, Melbourne, Victoria, Australia.

THE COMMERCIAL BANKING COMPANY OF SYDNEY, LIMITED,  
343 George Street, Sydney, New South Wales, Australia.

MIDLAND BANK LIMITED,  
60/62 West Smithfield, London EC1A 9DX.

THE NATIONAL BANK OF NEW ZEALAND LIMITED,  
8 Moorgate, London EC2R 6DB.

THE TORONTO DOMINION BANK,  
55 King Street West and Bay Street, Toronto, Ontario, Canada.

#### Receiving Bankers to the Offer for Sale

MORGAN GRENFELL & CO. LIMITED,  
New Issue Department, 4 Throgmorton Avenue, London EC2P 2NA.

#### Brokers

ROWE & PITMAN, HURST-BROWN,  
City-Gate House, 33, 45 Finsbury Square, London EC2A 1JA,  
and The Stock Exchange.

LAING & CRUICKSHANK,  
The Stock Exchange, London EC2N 1HA.

POTTER PARTNERS,  
325 Collins Street, Melbourne, Victoria, Australia.

#### Solicitors to Borthwicks

LINKLATERS & PAINES,  
Barrington House, 59/67 Gresham Street, London EC2V 7JA.

#### Solicitors to the Offer

SLAUGHTER AND MAY,  
36 Basinghall Street, London EC2V 6DB.

#### Auditors and Reporting Accountants

DELOITTE & CO., Chartered Accountants,  
P.O. Box 207, 128 Queen Victoria Street, London EC4P 4UX.

#### Secretary and Registered Office

MICHAEL FRANCIS CAVE, F.C.C.A., A.C.M.A., A.T.M.,  
Priory House, St. John's Lane, London EC1M 4BX.

#### Registrars and Transfer Office

M & WM SERVICES, Granby House, 86 Southwark Street, London SE10 1JA.

### CHAIRMAN'S LETTER

The following is a copy of a letter to Morgan Grenfell & Co. Limited from Dr. W. A. Bullen, the Chairman of Thomas Borthwick & Sons, Limited:

Priory House,  
St. John's Lane,  
London EC1M 4BX.

22nd July, 1976.

Gentlemen,

In connection with the Offer for Sale of 15,000,000 Ordinary Shares of 50p each in Thomas Borthwick & Sons, Limited ("Borthwicks"), I have pleasure in giving you the following information in relation to Borthwicks and its subsidiaries ("the Group"):

#### HISTORY

Borthwicks has its origins in a meat and livestock trading business started in Liverpool by Thomas Borthwick in the 1800s. Towards the end of the century, following the development of refrigerated ships, Thomas Borthwick expanded the business into the shipment to the United Kingdom of frozen and chilled meat from New Zealand and Australia. Later, as a logical extension of the business, meat processing works were established in New Zealand and Australia.

After 1914, livestock production interests in Australia were developed by the acquisition of cattle stations. These were sold in 1934 to Stanbrook Pastoral Co. Pty. Limited ("Stanbrooke"), a company founded in that year by Borthwicks jointly with Australian Mutual Provident Society and two pastoral concerns. Borthwicks currently owns 38 per cent of Stanbrooke.

After the Second World War, Borthwicks developed its marketing operations in areas of the world other than Australia, New Zealand and the United Kingdom, and there are now marketing and selling divisions or agencies in some 40 countries.

#### BUSINESS

The Group's business comprises the purchasing and processing of livestock, mainly cattle, sheep and lambs, and the marketing of meat and by-products. Purchasing and processing is carried out in Australia and New Zealand (in excess of 70 per cent. of the Group's assets are located in these countries) and to a significant but lesser extent in the United Kingdom. The Group's total sales in the year ended 30th September, 1975 amounted to £207 million, of which some 60 per cent. were made outside the United Kingdom.

The Group is organised on a divisional basis, according to the geographical location of its activities. There are three producing divisions, in Australia, New Zealand and the United Kingdom, and these are responsible for purchasing livestock, for the operation of the meat processing works for marketing and selling the Group's products in domestic and in certain export markets. There are separate marketing and selling divisions in the United States, Canada, Japan and France, which are important markets for the Group's products. The business as a whole is co-ordinated from International Headquarters in London.

The meat trades in Australia, New Zealand and the United Kingdom are supervised by statutory authorities. In Australia and the United Kingdom, the respective authorities influence the industry to a relatively small extent, but The New Zealand Meat Producers Board, which consists of six members elected by farmers, two government nominees and one representative from the dairy industry, regulates and influences the industry to a large extent. This authority amongst other things makes recommendations to the Ministers of

Agriculture regarding licences for meat processing works, encourages the development of new export markets, allocates between suppliers shipments to some of the major world markets, and operates various schemes aimed at stabilising live stock prices.

#### Purchasing

The Group has its own buying organisations within the producing divisions in Australia, New Zealand and the United Kingdom, giving wide coverage of the livestock markets in these countries. Livestock is purchased either directly from the farm or at auction. The table below shows the approximate number of animals purchased by the Group in the three years ended 30th September, 1975:

year ended 30th September	1973	1974	1975
Australian division			
Cattle	360,000	274,000	478,000
Sheep	1,337,000	981,000	1,530,000
Lambs	607,000	565,000	761,000
New Zealand division			
Cattle	188,000	156,000	188,000
Sheep	562,000	763,000	680,000
Lambs	1,361,000	1,428,000	1,524,000
United Kingdom division			
Cattle	83,000	97,000	119,000
Sheep	31,000	31,000	18,000
Lambs	235,000	281,000	352,000

Livestock buying prices are decided by the local branch management in close consultation with the divisional head office, which in turn informs of market prospects by International Headquarters in London. In Australia and the United Kingdom, each purchase contract is normally negotiated separately, but in New Zealand, the Group, in common with other meat exporters, publishes a weekly schedule of prices at which the Group will buy livestock. If producers do not wish to sell at the scheduled prices, there are arrangements whereby they can ship independently or through co-operatives. There are other arrangements whereby the New Zealand Meat Producers Board may acquire meat for its own account if the prices offered fall below certain levels established by the Board from time to time. In these circumstances, the Group and other meat companies purchase and process the livestock. The resultant meat is sold to the Board, but normally the meat exporting companies, including the Group, market their meat on its behalf.

There is generally a good supply of livestock in Australia, New Zealand and the United Kingdom, but from time to time extreme weather conditions during the breeding and rearing seasons may affect the size of the flock and herd, and other economic factors may influence the producers' decisions as to the number of animals sold.

The Group also trades in meat purchased from other processors in Australia, New Zealand and the United Kingdom and from other areas of the world. This year, these activities are expected to represent approximately 12 per cent. of the Group's total sales, compared with approximately 6 per cent. last year.

#### Processing

The Group owns meat processing works in Australia and three in New Zealand, and owns or leases seven slaughterhouses in the United Kingdom. The main works in Australia and New Zealand, all of which process livestock largely for export, include intensive freezing, chilling and packing plant. The slaughterhouses in the United Kingdom, however, are much smaller and supply fresh meat predominantly for local consumption.

In the three years ended 30th September, 1975, the following numbers of cattle, sheep and lambs were processed through the Group's works:

year ended 30th September	1973	1974	1975
Australian division			
Cattle	360,000	274,000	478,000
Sheep	1,337,000	981,000	1,530,000
Lambs	607,000	565,000	761,000
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United Kingdom division			
Cattle	83,000	97,000	119,000
Sheep	31,000	31,000	18,000
Lambs	235,000	281,000	352,000

The Group's sales of meat and specialty meats, expressed in tonnes, in each year since 1971, is shown by the following table:

year ended 30th September	1971	1972	1973	1974
Meat and specialty meats sold (tonnes)	224,000	279,000	289,000	322,000

Only a small percentage of total world consumption of meat is imported and together account for a major and growing proportion of world meat exports, at per cent. of the Group's sales originate in these countries. The United Kingdom is principal export market for New Zealand lamb (accounting for sales of £25 million in 1975), and the United States is the Group's principal export market for New Zealand beef (accounting for sales of approximately £4 million in 1975). Both countries hold significant share of the respective markets for these meats in those countries, but most of the United Kingdom division's production is sold in the home market.

The diagrams and tables below indicate the sales of the various products analysed by country of origin and by market, in the year ended 30th September. Figures include, where applicable, domestic sales as well as exports.

#### SALES BY COUNTRY OF ORIGIN

#### UNITED STATES (22m)

#### UNITED KINGDOM (63m)

#### NEW ZEALAND (50m)

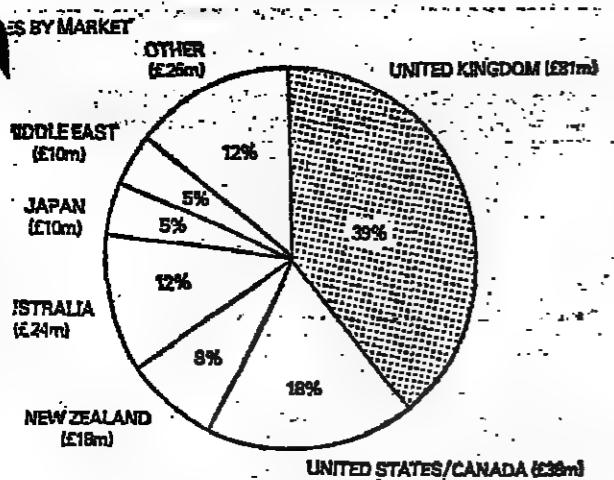
#### AUSTRIA (27m)

#### Other countries (10m)

#### Total (160m)

#### Beef and Veal

#### Lamb and Mutton</

**Freshbake Foods Limited ("Freshbake")**

Borthwick's owns present owns 65.5 per cent. of the issued share capital of Freshbake, which is based in the United Kingdom and manufactures unpacked oven-ready frozen convenience foods such as meat pies, fruit pies and sausages. The interest in Freshbake was acquired in 1973 in order to widen the base of the Group's business. Sir John Borthwick is a Director and Ian Chairman of both Borthwick's and Freshbake.

Borthwick's has assumed from Freshbake its reduced holding in Freshbake, which is listed company, at 61 per cent. of the issued share capital.

**Research and development**

The Group employs over 100 technical staff on research and development, which has two main aspects: the improvement of processing techniques and the development of new uses for animal protein and by-products.

**MANAGEMENT AND STAFF**

The business and overall policy of the Group is controlled and co-ordinated from International Headquarters in Finsbury House in London, which is the base for most of the executive Directors of Borthwick's and a number of senior executives. About 10 people are employed at International Headquarters.

The geographical spread of the Group's activities means that the General Managers of the main divisions have a large degree of control over day to day activities. However, the divisions maintain close contact by telex and telephone with International Headquarters, which lays down guidelines for the Group as a whole and is responsible for all major decisions in conjunction with divisional General Managers where appropriate. All divisional General Managers meet together at International Headquarters at least once a year, and executive Directors and senior executives from International Headquarters regularly visit the divisions.

**Directors**

Ian Stirling has been Chairman of Borthwick's since January 1975. Shortly after joining the Group in 1968, he was appointed Managing Director and Chief Executive, a position which he continues to hold. My previous experience has involved senior management responsibility in the chemical, pharmaceutical, cosmetics and agricultural products industries within a multinational organisation in North America and the United Kingdom. I have also had experience in wholesale and retail distribution. I served for a period as a member of the Meat and Livestock Commission in the United Kingdom.

Norman Hunt, who is 58, has been with Borthwick's for 38 years. He is Chief General Manager and all divisional General Managers report directly to him. He has wide personal experience of international meat markets and in 1973 received the O.B.E. for services to the meat trade. He is a Past President of the Imported Meats Trade Association.

Duncan McFarlane, an Australian, was appointed General Manager of the Australian division and has been with Borthwick's for 37 years. He was appointed to the Board on 6th July, 1976. He is a Director of Smithfield Meats and a member of the Meat Board.

Julian Stirling, who is 37, is Finance Director and has been with Borthwick's since 1968. He is a Fellow of the Institute of Chartered Accountants in England and Wales.

The other members of the Board are non-executive. Sir John Borthwick, who is 67, was a Managing Director of Borthwick's until 1983 and, since then, has acted as a non-executive capacity while pursuing his own extensive agricultural interests. Christopher Fleming, who is 39, was trained by Borthwick's in New Zealand as a livestock buyer and is now responsible for the management of Whirinaki Estates Limited, a farming enterprise in Scotland owned by Whirinaki Investments Limited, a Borthwick family investment company. Ian McCallister, who is 49, is a New Zealander with extensive farming interests in that country. He is a non-executive Director of The Canterbury Frozen Meat Company Limited and a number of other prominent New Zealand companies. He was appointed to the Board on 5th July, 1976.

None of the Directors has a service contract and it is not the present intention of Borthwick's to enter into such contracts.

**Senior executives**

The most senior executives below board level comprise the General Managers of the New Zealand, United Kingdom and United States divisions, and a number of executives who are based at International Headquarters and are responsible for marketing, finance, planning, technical development and administration. There is considerable depth of management within the Group.

**Employees**

The Group employs in excess of 9,800 people, of whom some 4,700 are in Australia, 3,300 in New Zealand, 1,500 in the United Kingdom and a small number in the rest of the world. Of the total, about 1,200 people are employed for only part of the year due to the seasonal nature of the industry.

There are several unions involved in the meat processing industry in Australia, New Zealand and the United Kingdom and most of the Group's employees are union members. The Group has suffered a number of strikes in Australia and New Zealand in recent years but, since 1974, these have not had a significant effect on production.

Most senior members of the staff who have completed a qualifying period of service have elected to become members of the Group's pension schemes, which vary from country to country. Borthwick's has endeavoured to follow a progressive policy and has steadily improved employee pension benefits over recent years. All members of the schemes are covered by life insurance and other insurance schemes.

**PROPERTIES**

The principal properties owned by the Group are nine meat processing works in Australia and New Zealand, which range in size from 63,000 to 69,000 square feet. These

**Trade Investments**

Although the Group has a 36 per cent. holding in the equity share capital of Stanbrook Pastoral Co. Pty. Limited (a subsidiary of Australian Mutual Provident Society), the Directors consider that they have insufficient control over this company for it to be classed as an associated company and, consequently, the Group's share of its results has not been included in the Group accounts, other than in respect of dividends received.

**Rental of Exchange**

Profit and loss accounts and source and application of funds statements in foreign currencies have been translated into sterling at the average rates for the respective accounting periods. Assets and liabilities in foreign currencies have been transferred into sterling at the rates of exchange ruling at the respective balance sheet dates. The resulting gains or losses, after deducting deferred taxation thereon, have been credited or charged as extraordinary items in the profit and loss account.

**Rental of Assets**

Rental assets are stated at cost, less any government grants received, or at valuation. Depreciation is provided on all fixed assets except freehold land.

The provision is calculated so as to write off the cost, less any government grants, or valuation of fixed assets over the expected useful lives of the assets.

The rates of depreciation generally adopted throughout the Group on a straight line basis are:

Freehold buildings 2½ per cent. per annum.  
Leases over 40 years 2½ per cent. per annum.  
under 40 years Equally over remaining period of lease.

Plant and equipment 10 per cent. or 16 per cent. per annum, as appropriate.

Motor vehicles 20 per cent. per annum.

The valuations in 1972/73 were made by Messrs. Herring Son & Davy, Chartered Surveyors, 26/28 Savile Street, London W.C.1, and their associates on the basis of existing use adopting the valuation principle of depreciated replacement cost, subject to adequate probability related to the value of the total assets of the Group. The Directors are of the opinion that there has been no material change in the values since that date. The fixed assets valued in 1974/85 are now substantially written down in their book.

Stocks are stated at the lower of cost and net realisable value. Cost includes all direct costs including the direct costs incurred in transporting stock to their present location and condition but does not include any other overhead cost appropriate thereto. The Directors consider that, in view of the seasonal nature of supplies and the difficulties of forecasting fluctuating works throughout and ultimate market demand, it is inappropriate to include overhead costs in our financial statement giving, on the accounting basis statement and fair value of the profits and losses and the annual profit and loss statement for the Group for the five years and six months ended 30th September, 1976 and the six months ended 31st March, 1976 and of the Group at the end of each of the years 1970 to 1975 and 31st March, 1976.

**UNITING POLICIES**  
Having set out the principal accounting policies adopted in arriving at the information set out in this report—

Financial accounts of Borthwick's and of its subsidiaries have been made up to 30th September each year. Interim accounts have been prepared for the six months to 31st March, 1976 and audited.

Group accounts include the results and assets and liabilities of all its units and all subsidiaries for the relevant periods since incorporation or formation except that the accounts of Whirinaki Estates Limited, which has operated since 31st March, 1976, have not been consolidated.

**LOSS ACCOUNTS**

Years ended 30th September

Notes 1971 1972 1973 1974 1975 1976

£'000 £'000 £'000 £'000 £'000 £'000

Including interest payable (a) 131,301 163,655 223,542 235,855 206,671 227,301

Profit (loss) income (b) 132,765 159,631 224,713 249,575 201,889 221,473

Profit (loss) before taxation and before extraordinary items (c) 4,026 8,263 (14,120) 4,572 4,028

Profit (loss) after taxation and before extraordinary items (d) 2,739 5,630 (8,325) 2,002 1,785

Attributable to shareholders of Borthwick's Ordinary Shares (e) 2,781 6,682 (11,030) 1,650 2,300

Profit (loss) per Ordinary Share (f) 1,022 2,538 6,513 111,100 1,511

Profit (loss) per Ordinary Share (g) 50p 22.01p 56.87p (100.25p) 22.22p 18.13p

**Profit and loss accounts**

present the proceeds of sales of meat, by-products and other products to outside customers.

Sales include—

of fixed assets and other financing expenses

of 1,727 1,882 1,755 2,532 2,688 2,556

# Borthwicks

Notes on balance sheets

(a) Fixed assets are stated at cost, less any government grants received, or valuation, less accumulated depreciation as follows:

	The Group				
	30th September				
	1970	1971	1972	1973	1974
Freehold properties					
At cost	2,000	2,000	5,000	5,000	5,000
At valuation 1954/55	5,843	6,692	7,704	7,625	3,464
At valuation 1972/73	4,620	4,570	4,623	470	454
Aggregate depreciation					
Net book value	5,422	5,758	5,138	14,157	14,506
Leasehold properties					
At cost	220	228	233	315	377
At valuation 1954/55	43	42	44	—	45
At valuation 1972/73	—	—	—	53	45
Aggregate depreciation	(66)	(73)	(51)	(54)	(51)
Net book value	197	197	226	314	334
Plant and equipment					
At cost	10,075	11,900	13,582	17,205	18,387
At valuation 1954/55	1,737	1,672	1,725	1,517	1,557
Aggregate depreciation	(6,803)	(7,578)	(9,018)	(11,185)	(11,608)
Net book value	5,010	5,594	6,369	7,812	8,935
Total	10,619	11,949	13,953	22,865	25,923

(b) Interests in subsidiaries consist of:

Shareholdings at valuation, representing net book value of assets of subsidiaries at 30th September, 1975

Amounts due from subsidiaries	30th September, 1975
Debtors	5,000
3,524	6,910
9,524	9,304
16,430	16,430

(c) Trade investments consist of:

Unlisted, at cost:	30th September, 1975
Starbroke Pastoral Co. Pty. Limited	—
The Canterbury Frozen Meat Company Limited	—
Others	—
Listed, at cost:	—
Total	3,770

Directors' valuation of unlisted investments

Quoted market value

Footnotes:

(i) The increase in the amount of trade investments at 30th September, 1973 arose mainly from the acquisition for cash of additional shares in Starbroke Pastoral Co. Pty. Limited and the acquisition in exchange for certain fixed assets of the interest in The Canterbury Frozen Meat Company Limited.

(ii) Although The Canterbury Frozen Meat Company Limited is a listed New Zealand company, the Group's investment is regarded by the Directors as unlisted because of an agreement not to sell the shares and to waive dividends for a period of 5 years from October 1972.

(iii) Amounts uncalled on partly paid shares at 31st March, 1976 amounted to £371,000, mainly in respect of Starbroke Pastoral Co. Pty. Limited.

(d) Long term loans made consist of:

Borthwicks	31st March, 1976
Deposits as collateral for Borthwicks' guarantee of unsecured bank loan (Interest at 8 per cent. per annum) made to a subsidiary	—
Mortgage loan to The Canterbury Frozen Meat Company Limited (see footnote)	—
Other loans	553
<b>Total</b>	<b>1,112</b>

Footnote:

The mortgage loan to The Canterbury Frozen Meat Company Limited is interest free until 1977 and then bears interest at 8 per cent. per annum. The loan is repayable in 1982 but the Group may call for earlier repayment in order to subscribe for additional shares issued by the borrower.

## Appendices

### APPENDIX I

#### PRINCIPAL PROPERTIES OCCUPIED BY THE GROUP

The principal properties occupied by the Group are (freehold unless otherwise stated):

	Land in acres	Avg. area in square feet
Australia		
Bowen	Meat processing works	1,198
	Meat processing works	214
	Meat processing works	181
	Meat processing works	47
Brisbane	Meat processing works	333,000
Bronxville (Melbourne)	Meat processing works	486,000
Portland	Meat processing works	239
Albany	Meat processing works	17
Pipe Road (Melbourne)	Sheep skin drying, processing and packing sheds	24
Melbourne	Office building	13,800
New Zealand	Meat processing works	240
Fairlie	Meat processing works	660,000
Waihi	Meat processing works	185
Weingaia	Meat processing works	476
Wellington	Office building	12,000
	(leasehold - 43 years remaining, current rental NZ\$ 65,204 p.a., rent reviews 1976 and every 10 years thereafter)	
United Kingdom	Slaughterhouse	0.3
Wishaw	Slaughterhouse	6,500
Llangoed	Slaughterhouse	1.4
Cwm	Slaughterhouse and associated facilities	10.8
Pontypridd	Slaughterhouse	1.9
Whitchurch, Leicestershire	Slaughterhouse and associated facilities	2.3
Swindon	Slaughterhouse	2.4
	(leasehold - 34 years remaining, current rental £10,000 p.a., rent reviews December 1976 and 1986)	
London (Priory House)	Office building	26,350
Glasgow	(leasehold - 7 years remaining, rental £153,280 p.a.)	
Sittingbourne	Slaughterhouse and associated facilities	6.5
Hem Bay	Factory for manufacture of food products	2.1
	(leasehold - 14 years remaining, current rental £7,836 p.a., relating to £18,000 p.a. in December 1976, rent reviews 1980)	
The Group also owns or occupies a number of other properties which are not material in size. Thomas Borthwick & Sons (U.K.) Limited occupies 20,000 square feet of office and other premises located throughout the United Kingdom, and Prentiss owns or occupies 6 sales and distribution depots, mainly in the South and Midlands. The sales divisions in the United States, Canada, Japan and France each occupy small rented offices, and Thomas Borthwick & Sons (France) S.A.R.L. owns an office building in Mâcon, France. Thomas Borthwick & Sons (Australia) Limited leases 3 boning rooms in Adelaide, Sydney and Wagga Wagga, and owns or leases a number of other small properties in Australia.		

### APPENDIX II

#### PRO-FORMA BALANCE SHEET

The pro-forma balance sheet set out below shows the consolidated balance sheet of the Group as at 31st March, 1976, adjusted for the capitalisation issue effected on 7th June, 1976 (referred to in Appendix IV) and for the present issue of new shares. It has been assumed that the net proceeds of the issue (£9,446,000) have been applied in full in reducing bank loans and overdrafts.

	2000	2000
Fixed assets	25,688	25,688
Trade investments	3,770	3,770
Long term loans	1,112	1,112
<b>Current assets</b>	<b>30,580</b>	<b>30,580</b>
Stock	44,953	
Debtors	15,832	
Bank balances and cash	344	
	65,129	
Current liabilities and provisions		
Bank loans and overdrafts	26,282	
Bills payable and acceptances	10,341	
Creditors	15,938	
Other current liabilities and provisions	2,306	
	54,927	

### APPENDIX III

#### APPENDIX III

##### PROFIT FORECAST

###### 1. FORECAST AND ASSUMPTIONS

The forecast of profits of the Group for the year ending 30th September, 1976, included in the Chairman's letter, has been compiled on a basis consistent with the accounting policies normally adopted by the Group and includes results shown by audited interim accounts for the six months ended 31st March, 1976 and unaudited management accounts for the three months ended 30th June, 1976. The principal assumptions upon which the Directors have based their forecast are that:

- (a) no abnormal economic circumstances will affect the forecast levels of the total market size, the Group's share thereof, or the prices at which sales will be effected;
- (b) there will be no unforeseen additional material restrictions or relaxation of existing restrictions on the import or export of the Group's products;
- (c) any government measures which may be introduced to counter inflation will not adversely affect the Group's results;
- (d) wage settlements will not exceed existing government recommendations;
- (e) there will be no major disruption of the Group's business either in the United Kingdom or overseas by reason of industrial disputes involving either the Group or any of its suppliers of goods, transportation or other services;
- (f) the supply of livestock will not be materially affected by abnormal weather conditions;
- (g) the present levels of interest rates in the United Kingdom, Australia, New Zealand, United States and Canada will remain substantially unchanged;
- (h) there will be no material change in the present exchange rates between the pound sterling, the Australian dollar, the New Zealand dollar and the United States dollar; and
- (i) there will be sufficient shipping space available for the Group's forecast exports.

###### 2. LETTERS

The following are copies of letters from (a) Deloitte & Co. and (b) Morgan Grenfell & Co. Limited concerning the profit forecast:

(a) DELOITTE & CO.,  
P.O. Box 207,  
128 Queen Victoria Street,  
London EC4P 4DX.

The Directors,

THOMAS BORTHWICK & SONS, LIMITED

22nd July, 1976.

Gentlemen,

We have reviewed the accounting bases and calculations for the profit forecast (for which the Directors are solely responsible) of Thomas Borthwick & Sons, Limited and its subsidiaries ("the Group") for the year ending 30th September, 1976 contained in the letter from Dr. W. A. Bullen to Morgan Grenfell & Co. Limited set out in the Offer for Sale dated 22nd July, 1976. The forecast includes results shown by audited interim accounts for the six months ended 31st March, 1976 and unaudited management accounts for the three months ended 30th June, 1976. In our opinion, the forecast, so far as the accounting bases and calculations are concerned, has been properly compiled on the footing of the assumptions made by the Board set out in the Offer for Sale document and is presented on a basis consistent with the accounting policies normally adopted by the Group.

Yours faithfully,  
DELOITTE & CO.  
Chartered Accountants

MORGAN GRENFELL & CO. LIMITED,  
23 Great Winchester Street,  
London EC2P 2ZC.

The Directors,

THOMAS BORTHWICK & SONS, LIMITED

22nd July, 1976.

Gentlemen,

We refer to the forecast of the profit of Thomas Borthwick & Sons, Limited and its subsidiaries for the year ending 30th September, 1976 contained in the letter from Dr. W. A. Bullen to us dated 22nd July, 1976.

We have discussed with officers of your company the bases and assumptions upon which the forecast is based. Having regard to the assumptions made by the Directors and to the accounting bases and calculations reviewed by Deloitte & Co., we are satisfied that the profit forecast, for which you are solely responsible, has been made by you with due care and consideration.

Yours faithfully,  
For MORGAN GRENFELL & CO. LIMITED,  
PATRICK SPENS,  
Director

### APPENDIX IV

## RESIDENTIAL PROPERTY

## BROWN &amp; MUMFORD

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Road, London, Bedfordshire

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## FT SURVEY OF CONSUMER CONFIDENCE

## More are now optimistic about financial outlook

BY DONALD MACLEAN

**PUBLIC CONFIDENCE** in the financial outlook has improved in this month, after falling apparently in June, according to the survey of future confidence, however, was mentioned by the relatively low figure of 4 per cent. Some 23 per cent. net of families felt themselves worse off this July than last, a figure somewhat lower than the 28 per cent. in May. A balanced position in March, and a 22 per cent. margin of pessimism in December, were known.

On a six-month moving average basis, it shows, families were feeling worse-off this month than at any point since the Bureau's monthly series of studies began in 1970.

On the question of buying consumer durables, indicative fears have appeared to support the relatively high proportion recorded of those thinking it a "good time to buy."

Future confidence varies widely, however, between groups with ABC1 men (in professional, managerial and clerical positions) holding a relatively optimistic view compared with the ABC2 men.

This month the ABC1 men showed renewed optimism, with 14 per cent. more of those interviewed taking an optimistic view, rather than a pessimistic, after a bout of dismay over the out-look last month.

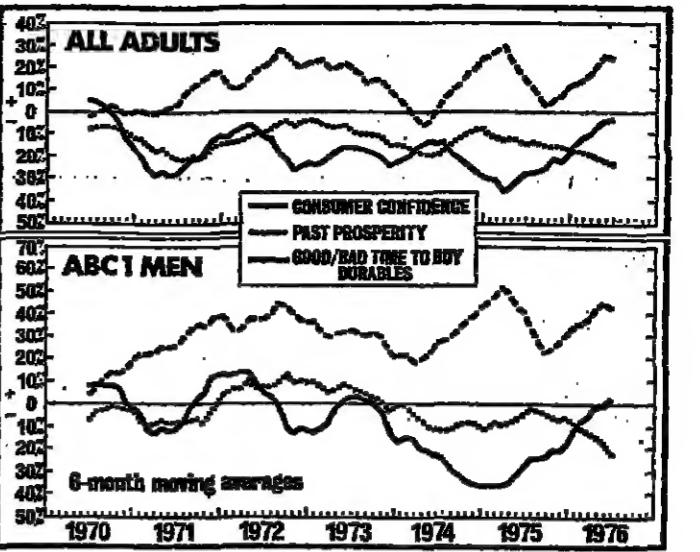
For all adults, there was also increased optimism, but there was nevertheless, a net 1 per cent. taking a pessimistic line.

Pessimism was associated in June, the net percentage of the main, with rising prices, of those with a pessimistic view which were mentioned "spontaneously" by 24 per cent. of good time to buy consumer durables, against 24 per cent. in those on the pessimistic side, able, against 24 per cent. while the union/strike outlook June.

An indication of the volatility of future confidence, however, was mentioned by the relatively low figure of 4 per cent. Some 23 per cent. net of families felt themselves worse off this July than last, a figure somewhat lower than the 28 per cent. which was mentioned by 9 per cent. who last month felt themselves worse off than a year earlier.

Among ABC1 men, about 25 per cent. net considered themselves worse-off, compared with 29 per cent. in June.

There was a net percentage of 26 per cent. among those interviewed who thought it was a 29 per cent. in June.



## FT grocery price index falls again

BY DONALD MACLEAN

THE FINANCIAL TIMES

Grocery Prices Index fell this month for the second month running, by 6.11 points (2.7 per cent.) to 216.71, its lowest since February. The movement was again dominated by falling potato prices.

This brings the reduction in the past two months to 4.4 per cent. from the record 226.78 reached in May. The last occasion on which the index fell in two consecutive months was between June and August 1974.

The latest returns from the FT shoppers around the country show a sharp acceleration in the rate of the fall in potato prices. Average cuts of 5d. a pound brought prices down to 7d. and 10d. a pound.

The total cost of the 11 shopper baskets was £564.09 this month, compared with £658.55 in June.

Potatoes are heavily weighted in the index and played a major role in the sharp rise in the index in the winter and spring.

Offsetting the fall in the price of potatoes to some extent were increases in other areas of the

fruit and vegetable category, as well as higher meat prices. Beef was more expensive but cheaper pork chops were a restraining factor.

There were lower shopping bills in the dairy produce sector, where eggs were cheaper, although butter prices were generally higher.

Grocery prices have been affected in recent months by the decline in sterling, which had fallen from \$3.1 at the end of February to about \$1.77 at the time of shopping for the June basket.

On Tuesday of last week, when this month's shopping was done it had made a slight recovery, to \$1.78 — at which level, nevertheless, its purchasing power (in terms of the U.S. dollar) was showing a fall over the five months of around 13 per cent.

Another factor at work on the prices since February has been the operation of the Government's Selective Price Restraint scheme, which covers a number of items in the shopping basket and limits the price increase for

potatoes to 5 per cent. Another factor at work on the prices since February has been the operation of the Government's Selective Price Restraint scheme, which covers a number of items in the shopping basket and limits the price increase for

FINANCIAL TIMES	SHOPPING BASKET	July	June
Dairy Produce		107.26	110.62
Sugar, Tea, Coffee, Soft Drinks		47.50	48.40
Bread, Flour, Cereals		67.75	68.40
Preserves and Dry Groceries		22.24	24.07
Sauces and Pickles		12.08	12.19
Canned Goods		41.28	40.93
Frozen Foods		35.44	34.73
Meat, Bacon, etc. (fresh)		153.77	151.03
Fruit and Vegetables		98.72	119.36
Non-Foods		48.12	48.35
Total		640.49	650.55

1971:	Feb. 100; Mar. 101.09; April 102.73; May 105.75; June 108.00;
July	107.23; Aug. 105.40; Sept. 105.26; Oct. 104.35; Nov. 105.48;
Dec.	104.24
1972:	Jan. 109.18; Feb. 109.10; Mar. 109.24; April 108.04; May 109.36;
June	115.57; July 111.97; Aug. 112.40; Sept. 112.14; Oct. 112.15;
Nov.	111.48; Dec. 111.49; Jan. 114.49; Feb. 114.72; Mar. 114.72;
Dec.	91.114.75; Dec. 115.57
1973:	Jan. 117.56; Feb. 117.25; Mar. 118.13; April 122.80; May 125.57;
June	128.51; July 127.44; Aug. 126.59; Sept. 129.39; Oct. 130.33;
Nov.	132.52; Dec. 132.54
1974:	Jan. 141.41; Feb. 141.52; Mar. 142.44; April 143.23; April 20: 142.44; May 145.17; July 144.22; Aug. 145.25; Sept. 147.45; Oct. 150.5; Nov. 159.39; Dec. 159.22;
1975:	Jan. 162.44; Feb. 167.77; Mar. 173.50; April 178.39; May 183.47; June 193.02; July 188.46; Aug. 189.23; Sept. 186.64; Oct. 189.79; Nov. 194.76; Dec. 197.71; July 216.71.
1976:	Jan. 208.33; Feb. 211.81; Mar. 216.60; April 222.43; May 226.78; June 222.82; July 216.71.

"Corrected figures"

## Money and Exchanges

the second gold auction by the International Monetary Fund. Following a fairly sharp decline at the end of the previous week, heavy selling pressure pushed the metal down again on Monday and Tuesday, as speculators realised that the price would not improve, as it had after the first IMF auction in June.

It fell by \$3.1 on Monday, to close a further \$3.1 on Tuesday, to close at \$104.1073, the lowest since December 17, 1975, the last time it had been quoted.

Day-to-day credit was in short supply in general. Large assistance was given by the authorities on Monday and Wednesday, and a small amount of help on Tuesday. Credit was adequate supply on Thursday, and extremely large assistance was given on Friday, partly by small official loans.

Nervous market conditions continued to the end of the week, with gold closing on Friday at \$110.81-\$111.1, a fall of \$8 on the Lending Rate.

Gold fell sharply at the beginning of last week, following the market reaction to the result of the IMF auctions, and was partially

responsible for the recent measures taken by the South African authorities to correct the Republic's balance of payments problems.

Italy may also run into difficulties since its \$2bn. loan from West Germany, with gold as collateral, has to be renegotiated by September. This was not reflected in the Italian lira however, which remained firm during the week.

France's reserve holdings have a very large gold content, and this may have been partly reflected in the continued weakness of the French franc. The Bank of France has chosen to keep up its interest rates, with Bank Rate rising 18 per cent. to 94 per cent. rather than use up large quantities of reserves in defence of the currency. The franc finished at Frs.4.9270 in terms of the dollar on Friday compared with Frs.4.8333 at the end of the previous week, and the French unit also moved to a depreciation against other major currencies, according to Morgan Guaranty figures, for the first time this year.

Sterling gained ground overall last week, finishing at \$1.7815 against the dollar, a rise of 60 points on the week. The pound's trade-weighted average depreciation since the Washington Currency Agreement narrowed of 3.8 per cent. from 38.9 per cent. as calculated by the Bank of England. Announcement for the next three weeks were received rather easily, and although there was a slow unison to sterling on Friday, a fair way business was reported, and any assistance given by the Bank of England was probably on a small scale.

## GOLD MARKET

	July 21	July 22
Gold Bullion (in fine ounces)	\$1104.1118	\$1114.1118
Opening	\$1114.1118	\$1124.1125
Trading	\$1124.1125	\$1134.1132
Closing	\$1134.1132	\$1144.1140
Average	\$1101.00	\$1111.75
	(\$262.237)	(\$262.237)

Gold Coins (domestically)	\$1144.1116	\$1144.1116
Krugerand	(\$264.565)	(\$264.565)
Other coins	(\$223.264)	(\$223.264)
New Sovereigns	(\$223.264)	(\$223.264)
Old Sovereigns	(\$28.41)	(\$28.41)
Gold Coins (Internationally)		
Krugerand	\$1144.1116	\$1155.1117
(\$264.565)	(\$264.565)	(\$264.565)
New Sovereigns	(\$223.264)	(\$223.264)
Old Sovereigns	(\$2	





## Amin appeals to UN in row with Kenya

BY QUENTIN PEEL

PRESIDENT AMIN of Uganda has warned to-day that he might be forced to take "desperate action" because of the continuing "blockade" of his country by neighbouring Kenya. He appealed to the United Nations and the Organisation of African Unity to intervene in the escalating dispute between the two countries.

Despite drastic rationing, the country was in a critical economic position with only five days' petrol supplies, the Ugandan leader said in telegrams to both Dr. Kurt Waldheim, the U.N. Secretary-General, and Mr. William Eteki, the Secretary General of the OAU, the texts of which were announced on Radio Uganda.

The tone of the Ugandan leader's latest appeal clearly indicates the very rapid deterioration in the country's economy.

Observers in Nairobi suggest that in spite of the lack of petrol and spare parts within the heavily-armed Ugandan armed forces they could still reach substantial Kenyan oil supplies held at Kisumu, on Lake Victoria, less than 100 miles from the frontier. Without fresh petrol supplies, Uganda is thought to be militarily incapable of a sustained attack.

### Electricity

In his telegrams President Amin said: "In view of the critical situation, which I fear may force Uganda to resort to desperate action out of the need to survive, I call on the OAU and the UN very urgently to send a fact-finding mission to Uganda and Kenya to verify the whole alarming situation which is threatening world peace and order."

Uganda yesterday cut off

electric power supplies to Kenya, Kenya and Uganda has raged since President Amin accused his neighbour of complicity in the Israeli commando raid which freed 104 Palestinian-held hostages at Entebbe airport earlier this month, leaving 20 Ugandan soldiers dead.

President Amin's present desperation stems in part from the apparent Kenyan willingness to allow the East African Community, in which both countries are partners with Tanzania, to both Dr. Kurt Waldheim, the U.N. Secretary-General, and Mr. William Eteki, the Secretary General of the OAU, the texts of which were announced on Radio Uganda.

Kenya has denied any deliberate retaliation, but has effectively imposed a severe economic squeeze on its landlocked neighbour by insisting on pre-payments for Ugandan imports in Kenya shillings.

The telegrams underline the threat reported by Radio Uganda yesterday that "if Kenya continues to blockade Uganda, Uganda will be forced to fight for her survival."

One European resident of Kampala, who arrived in Nairobi at the week-end said: "Although the petrol shortage is obviously critical, people are still walking to work. It is the Ugandan population who are suffering the most, but they are still able to obtain their most basic food supplies."

The danger is that reports of the situation within Uganda make the situation there more dangerous both for ex-patriates and local residents.

"Although a majority of the population no longer supports President Amin, it is difficult to see how they can get rid of him. The only people who could do that are the Army, and any alternative military leader might be worse than the present one."

The war of words between

NAIROBI, July 25.

### Squeeze

Uganda has moved troops up to the border since the July 4 raid and Radio Uganda has broadcast threats to destroy President Kenyatta's official residence at Nakuru and attack the port of Mombasa.

Kenya has denied any such collapse, as it depends almost totally on the Community services of railways and harbours linked to Kenya.

President Amin accused Kenya of holding up more than 300 rail petrol tankers destined for Uganda and of allowing only one tanker a day across the border, compared with "basic daily requirements" of 80 tankers.

### Oil dues

He also claimed to have paid for all his petrol supplies and called on the international oil companies to back him up.

President Amin's insistence on having paid for his oil supplies is born out by industry sources, who say that substantial debts earlier in the year were repaid by the beginning of the month. No oil is supplied on credit and it is paid for in foreign currency. Freight charges for the petrol are already paid in Kenya shillings.

Kenya now claims that Uganda

is owing a total of £90m. Kenya shilling (£52m.), which includes regular trade debt, debt to nationalised industries, and an estimate of frozen dividends.

Uganda yesterday cut off

the war of words between

## Doctors to meet Callaghan as action grows

BY DONALD MACLEAN

MR. JAMES CALLAGHAN meets doctors' leaders this afternoon as junior hospital doctors step up their industrial action on the issue of overtime pay.

The doctors' decision to seek a meeting with the Prime Minister was taken at a stormy British Medical Association annual meeting ten days ago, and resulted from the dissatisfaction which they felt over their relationship with Mr. David Ennals, the Secretary for Social

### Grievance

They adopted a motion accepting that they had "no option but to invoke the intervention of the Prime Minister" in view of the "manifest inability" of Mr. Ennals to solve eight problems—some over pay and some over the health service—that the BMA had listed.

A major grievance is what is regarded as a broken agreement by the Government over the payment of overtime pay for junior doctors during periods of annual or study leave. It is this which is behind the action which now appears to be spreading around the country.

In many places, the working week is being limited to a basic 40 hours, operated flexibly so as to provide full emergency cover; in others emergency cases only are being treated; and in others moves have been made towards a system of 24-hour stoppages.

Areas already affected include the West Midlands, the North West, Mersey, East Anglia, Yorkshire, Oxford and South East Thames.

A threat of more severe trouble appeared yesterday, however, when Dr. David Wardle, chairman of the hospital junior staff committee of the BMA, warned that an "increasing number" of juniors "just want satisfied."

The most spectacular of these came in 1973-74 after the oil crisis when oversupply, falling consumption, political intervention and industrial unrest combined to produce pre-tax losses of £13.9m. This accounts for the fact that group net worth of £16.6m. last September was only £2.6m. higher than at the end of 1970, despite a £4.1m. property revaluation surplus in the intervening period. It also explains why the group had net current liabilities of £6.2m. at the same date.

During the last couple of years, however, Borthwick has taken steps to reduce its exposure to meat price movements, by such methods as exiting back unsoiled beef stocks in the U.S. and promoting New Zealand lamb in new markets where sales can be made forward. As a result, over two-fifths of the £25m. of stocks held in the half-year balance sheet at March was covered by forward sales contracts, and the proportion would tend to be higher than that on average. At the same time, the authorities in New Zealand—where 41 per cent of overall sales originate—have put through measures to stabilise livestock prices.

As a result, Borthwick believes that profits swings will be "less marked" in the future. And one of the prime motives behind the offer for sale is the wish to broaden the spread of activities, especially in the U.K. where the group lost money last year. Of the 15m. shares on offer at 80p each, 12.1m. represent fresh finance.

This is the admittedly over-simplified message of the latest annual review of the sector by brokers Wood Mackenzie, and it follows from a number of important recent changes in the operating background, all more measurable than the

last three years.

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